WHY LINDSAY FAILED AS MAYOR

The Washington Monthly

APRIL 1972/ONE DOLLAR

MAY 3 1972

Let Those Hillbillies Go Get Shot: The Role of an Unfair Draft in the Failure of the Peace Movement

MAY

How to Succeed in Business Without Really Bribing: The Uses of Regulatory Agencies, Courts, and Influential Friends

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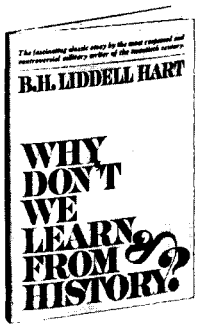

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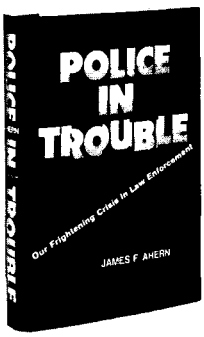

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Letters

Billions in the Basement

As a member of the Senate Appropriations Committee and now ranking Republican of the Government Operations Committee, I was particularly interested in and deeply appreciated your article entitled "The Billions in the White House Basement," [by Timothy Ingram, January, 1972]. This article was most revealing and gave me an insight into some of the frustrations and problems that we face, even beyond those that I have had as a member of the aforementioned committees. I feel that publication of this material performs a public service of the highest order and I intend to see that it gets the widest possible dissemination. Keep up the good work.

CHARLES PERCY
Washington, D. C.

Charles Percy is a U. S. Senator from Illinois.

Memo of the Month

I can't help wondering if your Memos of the Month are real. Do such inane gems really pass through the in-boxes of the nation? Or are they just the product of your grotesque imagination?

LEROY FERGUSON
Provo, Utah

The editor replies:

Your question is periodically asked by our readers. Yes, the memos are authentic—they are sent to us by people who work anywhere there is bureaucracy—government, industry, academia. We select the best each month from a variety of entrants and the name of the contributor remains confidential. The quality of the memos depends on continuing contributions from our readers, just as we depend on them for our other features, *Tidbits and Outrages* and *Reports*.

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Let Those Hillbillies Go Get Shot

by Suzannah Lessard

Some years back, waiting for the Long Island Railroad to pull into my hometown of St. James, I noticed something new on the familiar platform. On inspection, it turned out to be a small brick memorial to the Vietnam war dead. Rectangular steel plaques with names engraved on them had been affixed in one-and-a-half columns. It's a small town, but I'd gone away for high school so I didn't recognize any of the names—a few could have been people I'd known in grammar school, but as their surnames were Kelley and Jones, I couldn't be sure. Then the train came and took me to New York—to Columbia University—to intelligent discussions of foreign policy, passionately antiwar friends, rallies in Sheeps Meadow, marches on the UN. In those discussions and marches one sensed frustration, yet there was always the feeling of pitching one's energy, however frail, into a corporate effort to stop the war. Reading those names for the first time, and then again and again, standing on that same platform and reading new ones, the columns growing plaque by plaque, that sense of straightforward corporate effort would cave in.

Partly the feeling was the sick helplessness most women experience when faced with military deaths. Protected because of your sex, all you can do is bear it: not taking those risks yourself, even your protest is somehow unpersuasive. The St. James memorial, however, put me in double jeopardy of those feelings because I was also protected from the reality because of class: those boys probably died because they didn't have the options of going to college, hiring lawyers and doctors, or facilely expressing their conscientious objection. The sense of being protected at the expense of others is a nasty feeling. But the realization and the discomfort seemed to lead nowhere. What, after all, can you do about it? Yourself go, or worse, urge your menfolk to go over there and die for something you deplore? So you lose your bearings, feel as though you are drifting backwards towards a waterfall, and the only way to regain direction is to snap out of it and grab that old paddle of intelligent discussion and protest. End the war, you say to yourself, and you will also end this problem.

The debilitating effect of the problem, the need to simply push it out of one's mind, was further aggravated by the fact that the people making those sacrifices tended to support the war. Wearing a black arm band with the number of dead printed on it, for instance, was in a way taking unfair advantage of dead men, because, were they able to

Suzannah Lessard is an editor of The Washington Monthly.

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speak, they might well condemn your peace effort. And not only might those angry hecklers on the sidelines be their brothers and sisters, parents and wives, but the failure of the movement to attract their support—the great middle of the population from which the army was drawing its manpower—had everything to do with its ineffectuality.

The Privileged Sanctuary

The fatal class rift had yawned as soon as students and liberals began to decry the war as "immoral." "They're against our boys," came back the angry retort, and thus the pejoratives began to fly between the more extreme representatives of both sides: traitors—pigs, cowards—facists, faggots—war criminals. The antipathy soon took on a life of its own, influencing even the moderate, and making it possible years later for hard-hats to beat up peace demonstrators when they themselves believed we should get out of Vietnam; possible, even, for one college student to remark to another, as overheard by a friend, "Let those West Virginian hillbillies go get shot, they won't take me," without registering the implication of his words.

Obscured, though always lurking, was the fact that it was "their boys" who were over there to be for or against, who were coming back, more and more often in coffins, while the antiwar forces decried the cause in which those sacrifices had been made from the sanctuary afforded by grossly inequitable draft laws. When all is said and done, the gruesome truth that the less advantaged were sent to die in this war will surely rank high among the depravities spawned by the venture. Some in the sanctuary faced this; most evaded or distorted it. Yet the issue runs through the decade of activism, a mocking grimace, an elusive but crucial factor in the wrestling match with the angel of conscience, and possibly a clue to why that match ended in disheartened exhaustion.

The irony of being protected by the system you were fighting against was one of the constantly disconcerting conditions of the left-wing struggle in the sixties. A veteran of the civil rights movement says, "You always knew that you had a home-free base. After it was all over you could go back to your nice home." The effort was to link conscience to political action, but the safety catches made it difficult to gauge the depth of one's convictions. The draft presented the same problem. "It became obvious that it was pointless to say you 'won't go' if you weren't being asked to," wrote a member of The Resistance. Yet of all the areas in which people tried to confront the government, the draft was the least manufactured. After the graduate deferment was abolished, there were still lots of safety catches, but the small, hard chance existed that they would all fail. And that threat caused every young man who professed to be against the war to ponder what he would do if he were inducted. In those all-night bull sessions, formal symposiums, and interior mullings which accompanied that mass pondering, many shifting perspectives were probed—the problem of sorting out plain fear from ethical objection, the efficacy of going to jail, the consequences of going to Canada, the willingness to do either. In the process of any serious discussion, the question of those who *were* going, and why, would almost inevitably come up.

Protecting the Prosperous

Consciousness of the inequity of the draft was alive, in a minor way, before the Vietnam war heated up. The cold war needs were so low that every conceivable deferment and exemption had been thought up to cut down the eligible numbers and still preserve the argument that the draft was necessary. Facing the highest military medical standard in the world, one out of two men were

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rejected as 4F. Graduate and occupational deferments, paternity and hardship exemptions further reduced the pool. Pre-war critics of the system emphasized that the end result was to protect the prosperous, but they also objected to the fact that the very disadvantaged, who might best benefit from the army, were also out of the running due to the medical screening and the "intelligence tests," which disqualify the lowest quarter of the pool. As objection to the war mounted, the issue, though never abandoned entirely, became somewhat blurred.

What happened was that in order to meet increasing manpower needs, the escapes most available to the ordinary Joe—marriage and paternity—were eliminated while an absurdity like the graduate school deferment was not abandoned until much later. The medical standard and complicated legalisms for the most part remained on the books, and while application became lax, the standards were there for those able to hire professionals and use them. "The way to outwit the draft was to out-nitpick it," says one experienced objector. The undergraduate deferment weathered even the institution of the lottery, though that deferment has since been abolished.

Darwinian Selection

The deferment test, an inroad on the undergraduate sanctuary, resurrected at least a glimmer of the overall inequity issue. The test selected out of the undergraduate pool the less-academically successful students, threatening, at one point, to take the bottom half of the freshman class, bottom third of the sophomores, and bottom fourth of the juniors. Seniors applying to graduate school had to make the top quarter of the class or take an army test. The outcry was immediate. Students will try to take easy courses and apply to lesser colleges, said some. The test favors utilitarian skills, said others. Darwinian selection, said still others. Another issue raised was that students from poor backgrounds tend to be less well prepared for the challenge of the classroom and hence would be discriminated against: more blacks will fail, said Adam Clayton Powell. But the shock effect of the measure must have been that bright students had to face their less advantaged friends and realize that the difference in their ability might possibly mean the difference between life and death, prison or freedom.

A fairly active movement grew to stick together and thwart the measure. Professors refused to submit class rank, or gave uniform grades. Until it was made clear they were not in the running, girls pledged to purposely do badly in order to give their male colleagues a better chance. The army test itself, which one took if one's rank was borderline, or if one wanted to challenge a low rank, became a focal point for protest and a rash of sit-ins at induction centers where the tests were given broke out across the country. But the obvious way to object was to refuse to take the test, a measure which, if your rank was low, entailed losing your 2S status for sure. As a result, many of the demonstrators who had been blocking the doorways actually got up and went in to take the test. Those who continued to sit in probably could afford to because their high rank made it unneccessary to take the test.

Blatantly contradictory as their behavior was, it's hard to get outraged at those who left sit-ins designed to discourage people from taking the test in order to take the test themselves, because the consequences of not doing so would have been so drastic, and because so few had really thought out their feelings about the system of selection. The incidents, however, provide a perfect image: certainly those who left sit-ins for tests, and even those who merely heard about the incidents, must have suffered at least a mild case of that confused paralysis that sets in where earnest

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desire to end the war met the inequity of the draft. One doesn't have to think very far to see that if the ranking was "Darwinian" and "discriminatory," the whole 2S deferment was much more grossly so; that if the distinction between better and worse students is unjust, surely the distinction between students and non-students is an outrage. Yet, at the time, that almost inevitable conclusion was largely avoided, a disembodied spectre hovering over the deferment test protests, as it hung over the whole antiwar movement. The same spectres hung over the accusation of professors by students that when they flunked students they helped man the war effort, or the outrage of those who said that when Columbia expelled Mark Rudd the administration had might as well have sent him to the front lines in Southeast Asia. The question of who had been taking Rudd's place, and why he was there instead of Rudd, never quite got asked.

The inequity issue was not entirely muffled, however. Though in the end very few were inducted out of college, and the issue of ranking faded, perhaps it is more than coincidental that right around this time (spring of '66) several figures from the academic world spoke out strongly against the 2S deferment. Kingman Brewster of Yale described "the endless catacombs of formal education where a man may meander for years while eluding the draft that catches his unlucky contemporaries. Of those drafted between December of 1965 and February of 1966, only 2.1 per cent were college graduates, while 85.7 per cent ended their education short of college." An article in the *New York Times* magazine reported that "faculty and students [at the University of Michigan] argued that since college students as a class reflect the culturally and financially advantaged, the only way to elminate 'social bias' from the draft is replacement of 2S havens with an unbiased lottery." That year, Senator Edward Kennedy opened hearings on draft reform which ended finally in the lottery.

Egalitarian Imprisonment

Another area in which the issue was kept alive was in The Resistance, a group which sought to end the war through resistance to the draft, and which began to grow as general opposition to the war escalated and students no longer could be sure of escaping in the "endless catacombs." The recommended way of resisting was to give up whatever class-related deferment you might have, thus precipitating induction, and then refuse induction, be prosecuted, and go to jail. Jail was chosen primarily as the most effective protest, based on the idea that the nation would become unbearably disturbed to see a lot of "nice young men" imprisoned for their beliefs (more disturbed than by a lot of others coming home in coffins?), but also because it was an alternative open to anybody, rich and educated, or not. While the hope that they might actually hurt the army's supply of manpower quickly died, jail was the measure which allowed you, hypothetically, to face the guy who filled the quota in your stead because he, too, could choose it. The same hypothetical confrontation would be considerably more difficult if you had to say to him that you had gotten out by hiring a lawyer which he couldn't afford, or by pleading C. O., which he, less trained in verbal skills, could not hope to do successfully.

There were almost insuperable problems with this program. For one thing, the recommended course demanded a measure of saintliness which could never be widely expected. It's hardly an indication of hypocrisy that very few ever actually went to jail. Secondly, even fewer went than tried to, because, for one reason or another, they were never prosecuted. Although the directives to draft boards stated that delinquents, or people who had shown signs of being uncooperative, were to be the first inducted—those

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classified 1A coming second—the army apparently caught on very early that it was not in its interest to cooperate with this new type of non-cooperation. It made for bad press, and further, if they ever were inducted, these people were likely to be more trouble that they were worth. This attitude resulted in the peculiar role reversal of defendants pressing for prosecution while the prosecution strained to avoid conviction. Cases were sidetracked, endlessly postponed, ignored, or for some reason unresolved, and resisters found themselves tactfully forgotten in what they had thought would be their moment of confronting the war machine—literally, sometimes, finding the courthouse closed. The same thing happened to draft-card burners and people who turned in their cards. The gestures ceased to have meaning because even though a law was passed to make burning a crime (causing outcries about freedom of speech), and purposeful non-possession was already illegal, very few burners or returners ever got their comeuppance, another example of the frustration of being protected by the system you challenge. The few isolated instances of conviction made the situation only more Kafkaesque. In the end, the awkward stance of demanding prosecution for oneself was relieved by a Supreme Court ruling that punitive reclassification was unconstitutional—another bizarre twist since those who pressed the case were in a way pressing to have their protest made less powerful. Burning a draft card had impact because it was iconoclastic. Then it became as empty a gesture of defiance as burning a baseball card in protest against organized sports. To a white, middle-class person who wants change and wants to put his desire into action, the system can be like a padded cell.

Those who belonged to The Resistance, or who wrestled with the same awareness, seeking to reconcile not going to Vietnam with their abhorrence of an unfair draft, and the

"A consideration of the limits of the right of privacy requires the exercise of a nice discrimination between the private right 'to be left alone' and the public right to news and information; there must be a weighing of the private interest as against the public interest."
—Justice Philip Conley

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public figures like Brewster and Kennedy who tackled the problem as a separate issue, never linked up. Perhaps one reason was that many who spoke out against the inequity did so while still believing in the war. Mendel Rivers, for instance, was Kennedy's counterpart in the House of Representatives, vowing to stop those loopholes through which "buzzards and vermin" were escaping. The editorial page of *Life* magazine stated in 1965, "The frustrating vital half-war in Vietnam makes the need for a well-trained efficient U. S. military establishment more obvious than ever. And yet the way we select our soldiers to fight such wars could scarcely be more unfair than it is today. Those who escape, by and large, are those with the means to continue their education until they reach the 'safe' age of 26." This was not a stand which would appeal to a draftable young man against the war.

In between the *Life* editorialist and The Resistance was a vast gray zone of antiwar sentiment in which the issue was barely recognized. SDS split with The Resistance over the value of going to jail, on the grounds that it was martyrdom and therefore apolitical, and that you should use your privilege to mess up the system. Other SDSers suggested that the proper course was to go into the Army and organize from within, "a position I do not reject in principle," wrote a member of The Resistance, "but which never seems to go anywhere because its proponents never volunteer and because they are usually unacceptable to the Army anyway." Otherwise there was a lot of talk about "this war is being fought by poor people and blacks" (countered by some curious statements by members of the Johnson Administration to the effect that the Army offered a great opportunity to poor people and that it was a wonderful example of integration), and some genuine efforts to get draft counseling into the ghettos and to the working classes. The latter effort, in which The Resistance was active, also led them into another confrontation with the artificiality of the struggle from a position of privilege. "Giving up deferments made no sense to the ghetto-dwellers. Opposing the draft means beating it," a resister wrote. Even the effort to help people outside the privileged sanctuary to beat the draft was pointless, though, because for every person you got out, another would go. Yet, fighting the actual system of selection, the only logical way to tackle the problem would probably have been seen as not only a diversion of energy to a subordinate issue, but an implicit blessing of the whole operation of sending people, fairly or unfairly, to Vietnam to fight.

Biting the Bullet

It's worth noting that with a few exceptions, whatever protest did exist originated among those who were protected by the draft laws. "It was only when I had to face the possibility of being drafted and began talking the problem out that I became aware of the unfairness," comments one who faced the draft in 1968. But even inside that age group, awareness was generally very low, and as the gray zone expanded to include older and more conventional people, nothing much was heard from them on the subject. The more radical young, meanwhile, reaffirmed their identity by picking up Viet Cong flags and turning their cause from antiwar to pro-North Vietnam, further separating themselves from those who had died by North Vietnamese bullets. Most draftable people, quite understandably, held the attitude which prevailed in the ghetto toward the draft—you try to beat it—and were otherwise fairly fatalistic about it. When you did escape, you just felt lucky, not especially inclined to examine the ethical validity of the manner in which you escaped, particularly if it was legal. Also, after the graduate deferment was abolished, everybody felt threatened. Actually, though

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there are no statistics, it's my strong impression that the abolition of that deferment changed things very little. For whatever reasons, very few people I know, or know of, have ended up inducted, suggesting that some hidden mechanism has continued to protect the advantaged.

An indication of the insensitivity to this hidden horror of the war is the attitude, prevalent now among radicals, that the lottery is a perpetration of the warmakers. The lottery, though by no means eliminating all the options available to the well-off, is clearly a step towards fairness. Yet, with startling uniformity, radicals I spoke to about the relation of the unjust draft to the failure of the antiwar movement, retaliated with the statement that the lottery has defused the movement, as though, by implication, a more unjust draft had been in favor of the movement. The lottery probably has defused some fervor because it eliminates suspense; far fewer are spurred by personal threat because most know right away that their chance of going is remote. What that implies about the motivations of antiwar crusaders aside, it seems highly likely to me that if a lottery had been in effect in 1965, and consequently far more sons of the rich and the intelligentsia were being inducted, profound and urgent opposition to the war would have developed far faster from those groups. Nor would the privileged have been as likely to cut themselves off from the general population, for they would have sensed the need the peace movement never faced up to—the need for getting out of the war, yet dealing at the same time with the anguish of those whose sons, brothers, husbands, and lovers had died in it. At the very least, the tone would have been critically different. To say that the institution of an impartial lottery is counterproductive to the war effort and therefore to be condemned, makes as much sense as the following elliptical remarks, written after the graduate deferment had been abolished by Dorian Fliegel, then an Amherst student, in *The Nation*:

> The poor, who are now disproportionately unable to meet these standards, will now become the outstanding exempt group. This fact, especially reveals the hypocrisy of a society which meets the problems of structural inequality by exposing the educated and better-off to the draft to fight a war which is waged at the direct expense of the poverty programs and the burden of which is borne by the poor through inflation and an inequitable tax structure.

It seems reasonable that worn nerves are sensitive to the abrasive of criticism when the once-new activism finds itself washed up, fading and defeated on the shores of the seventies. But there's significance in which nerves are sore, and perhaps some clues as to why we find ourselves beached. Bringing up the inequity of the draft often produces pique; another (and related) tender spot is touched by suggesting a connection between the violence of the young left and the rejection of what has become a traditional rite of passage in this country, going to war. In my experience, veterans of the political wars of the sixties respond in a very negative, almost hurt way to this probe, suspecting immediately that you are looking for such motives in order to discredit the seriousness of intention and the authenticity of the anger behind the activism. Then and now, nothing strikes me as more ludicrous than the sages who interpreted the antiwar action as simple adolescent revolt against authority, as though the really appropriate response would have been to send us all off to shrinks, rather than, for instance, ending the war. But one cannot be afraid to look for apolitical motives in political behavior. Seeking to understand internal pressures is a way of releasing energy rather than neutralizing it, and whatever else one has to say about "the movement," it is now motionless, somehow invisibly impeded, like a ship in irons. The crew, what's left of it, does little to get itself out of the predicament by pacing

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those decks, wistfully spinning oft-told yarns about the glorious days when they all were ripping along under full sail, savagely responding to any suggestion that threatened to taint that glory.

Cathartic Courage

The militancy of the protests escalated along with the war, so that the images of cops beating kids were always superimposed on the immeasurably more violent images from Vietnam. While the scene at Chicago in '68 was horrifying, the minute one stepped back from it to look at the larger picture, it looked more like a brawl than a battle. The indignation of those beaten up became tinged with the self-pity of spoiled children, because what some suffered there was nothing compared to what others suffered in the jungles of Indochina, or, for that matter, to what black people all over the country suffer daily, and also because it had, in a way, been sought out. To some, at least, the "riots" were a great success, for it made "them" show their true colors in a "confrontation."

The morning after the Columbia bust, another great success, those with bandages around their heads were heros sporting their red badge of courage. But the suspension of disbelief was fragile, for as it happens, an ambulatory youth in an army jacket with a bandaged pate suggests a soldier, leading one to remember that outside the theater of the campus people were facing real and terrible wounds, not bumps on the head. Charging and being charged by cops may have been cathartic, but it involved a rather mild form of courage. And the enemy confonted there was so fearsome and oppressive that even during the buildup, as well as afterwards, in all seriousness we demanded that they give us amnesty and "drop charges." When real death came at Kent State, whatever illusion had existed was utterly stripped away. Only crackpots saw it as a bona fide life-and-death battle, in which at last "they" were fighting back. The gasp of horror was at what clearly had been a tragic mistake brought on by nervous, confused youth with bullets in their guns, meeting their frustrated, confused peers. No one thought "this is what it's all about." And the war went on.

It's easy now to say that militancy failed abysmally as a tactic, and that the greatest effect the tactic had was to isolate the movement from the general public. At the time, people were confronted with the fact that mild strategies had little effect. Asking themselves "what more can we do," they concluded, not illogically, that "more" meant something more shocking, more than just symbolic, more risky—to convince the warmakers of their seriousness. But whatever arguments could be made for militancy, they were powerfully reinforced by a need for it. While actual violence was employed by only a very small faction of the movement, there was throughout, at least among the young, and especially among the men who faced possible induction, the pervasive sense of testing oneself, which lends itself very neatly to the classical endeavor of "proving your manhood."

Anyone wrestling with the prospect of induction will wonder how much fear plays a part in his desire not to go. Fear of getting killed or maimed is a sign of health, but the courage to take such risks has become in this culture the mark of a man. And indeed, if one believes that sometimes wars do have to be fought, then you hope, for the sake of your self-esteem if nothing else, that under such circumstances you would pick up your share of the burden. So deciding not to go to a war, no matter how watertight your objection, will tend to set off tremors in the area of self-esteem. Even the rhetoric of the non-violent Resistance is shot through with reactions against those tremors: "Be a Man, Don't Go"; "Girls Say Yes to Men Who Say No." Or this sudden declaration in the course of a recent,

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fairly low-keyed discussion: "Put it this way. Everybody who did go was chickenshit." In *The Resistance*, by Michael Ferber and Staughton Lynd, the authors stress the gutsy macho style which the group cultivated. "A fundamental part of the style was riding motorcycles," they write, and then, quoting David Harris: "I have a conception of what you do in emergencies that's gained from motorcycles. There is no defense on a motorcycle. . . . Nowadays, there are all of these laws, you have to wear helmets, jackets. We never would wear any of that. The only way to ride a motorcycle was in your T-shirt, with a pair of big dark glasses. . . . We all had friends killed on motorcycles. . . . We all knew that we could be killed. We had all gone through experiences on motorcycles when we knew we came close to dying. . . . I used to do things like get on my motorcylce and ride as hard as I could ride, taking every corner as fast as I could go until I nearly dropped it. . . . After teasing death for a while you came to feel immune to it."

Elsewhere they quote him again: "The nonviolence came as a function of a vision of adventurous, hell-bent, wild-west manhood. . . . I think my decision for nonviolence was to be a Gary Cooper who didn't *need* guns . . . . I think of all these things as strengths and out of them brewed up the style that makes sense to me. Out of them I've found a truth that is stronger without weapons than with. (In the gang I ran with in junior high school, carrying a weapon was considered 'chickenshit.') I am for salty, rugged, virile nonviolence."

This is one of the most rousing calls to nonviolence I have ever come across. To imply that Harris spoke that way because he was insecure about his masculinity would be absurd: would that all men could transform their sense of masculinity from aggression into this kind of winsome, half-laughing at yourself, self-testing. But it cannot be coincidence that a group which bent its resources towards resisting a war, the traditional proving ground of manhood, should develop a style so emphatically uncowardly and masculine. Outside The Resistance, style was somewhat sloppier, but the emphasis on masculinity was almost equally intense, and, I suspect, often a lot less secure. It makes sense that in this vaguer zone, where most people had not thought things out as clearly and thoroughly as The Resistance leadership, that violence became not just acceptable but admired. An indication of the fundamental self-doubt was the murmer that went around last May-day. Appropos of the Veterans Against the War who were camped illegally on the Mall, the word was "this time the cops are really scared. There are a bunch of Marines out there, fresh from combat. Those guys are really tough." As though the non-soldiers making the comment were soft, were children.

I do not mean to imply that the desire to test oneself and to link one's commitment to action is unworthy, nor to discredit generally the use of militant tactics. What happened in this particular case, though, was that there was bitter frustration bred by the gnawing sense that one's militancy was trinkety and by the disconcerting effect of finding it constantly defused. When challenged, the system played the role of protector at every turn, and people's frustration at this tended to blind them to the actual effects of their particular form of action. "There was always this feeling that I have to live up to the cutting edge, the Viet Cong and the Panthers," said a young man recently. "A couple of times in demonstrations I was really scared and then you came out of it and there was the good old Washington Monument." Whatever else you might say about them, it was clear that the Viet Cong and the Panthers really meant what they said, and further, were willing to put it into action, a clarity and internal freedom which was by no means easy for the middle-class concerned person to achieve. Every

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time you sought to pit yourself against the wrongdoers, you were likely to find feather pillows instead of your own cutting edge. And so, the next time, you pushed yourself further.

Plaque by Plaque

The terrible irony of all this is that the militancy which made it absolutely impossible for the movement to attract mass support was, in part, a reaction to not going to war. This reaction, in turn, was generated in many in the antiwar effort because they were protected by inequitable draft laws and other less-explicit forms of privilege. And that inequity was the cause, at the very beginning, of the original split between the antiwar crusaders and the general population over, essentially, whether one was for or against "their boys." Set on that course, the monster only got bigger as frustration drove the movement into more desperate postures, while more and more sealed boxes were silently flown back to central points from which they were quietly shipped to less than posh sections of cities and towns in the countryside, where little war memorials were being embellished plaque by plaque.

Lots and lots of people striving for peace, especially the older people, many of whom were in positions of power or positions from which they could command an audience, did not embrace militancy (phlegmaticism might be a more appropriate word), nor adopt a locked posture of antipathy towards the hawkish population. Yet because most of them never seriously faced the inequity of the draft (it was, after all, their children who were protected), they never really wrestled with the problems of how we could get out of the war and not horribly violate those whose kin had died in it. Not suffering that anguish themselves, they were cut off from the huge numbers who did, and therefore imagined that the best way to get out was to admit it was a mistake and withdraw.

Yet, to the extent that the men in the two Administrations which have overseen this disaster were motivated by humane considerations, that anguish was, and still is, the barrier which arises every time withdrawal is contemplated: how can you tell the people to whom the coffins have been delivered that those sacrifices were for nothing? Coming up against that barrier, the mind recoils and seeks other routes—escalation, going in for victory, or even half-hearted, wasteful continuation seem more acceptable.

Perhaps it's asking too much of the limited energies of the peace movement to say that it should have put pressure on the government to make the draft just—in effect to draft its own—rather than devoting all its force to simply stopping the war. But if at the very least we had merely recognized the atrocity of sending the less well-off to die, then we would also have seen the importance of facing the needs of those whose friends and relatives had given their lives. Then all the professors and columnists and editorialists and people in government who wanted to end the war might have been struggling with that barrier, metaphysically speaking, they could all have helped the President write that speech in which he announced withdrawal to the public who had suffered most from the war, helped him search for the words with which to bestow a Congressional Medal of Honor on bereft parents after he had made the announcement. Words may seem trivial, but the lack of them in this instance signifies a huge, uncharted territory, a mine field ever interposing itself between those in power and the stopping of the war. Now, with the lottery, the draft is more fair and calls are precipitously dropping as the fight is shifted to the air. Nevertheless, though the deed is done and part of history now, it still remains a roadblock on the route to withdrawal. That speech still has to be written.□

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Speak Up, I've Got a Lobbyist In My Ear

We are devoting our entire Tidbits and Outrages *section this month to the following play, as compiled by Joseph Spear, a journalist on the staff of Jack Anderson. The drama, in three acts, actually took place last October in the New Senate Office Building. The focus of the dialogue is the Senate Finance Committee's consideration of President Nixon's economic recovery program. The major players, in approximate order of appearance, are as follows:*

Senator Wallace F. Bennett, *73, Republican, Utah; board chairman, Bennett's Paint and Glass Company; former board chairman, Bennett Motor Company (an automobile distributorship); former president, National Association of Manufacturers; author,* Faith and Freedom, *1950, and* Why I am a Mormon, *1958.*

Senator Paul J. Fannin, *65, Republican, Arizona; former partner in Fannin Brothers, "an industrial concern marketing petroleum products and agricultural chemicals"; three-term governor of Arizona; member, National Council of Boy Scouts of America, Elks, Moose, Rotary.*

Senator Gaylord Nelson, *55, Democrat, Wisconsin.*

Thomas H. Stanton, *a young tax lawyer and member of Ralph Nader's Public Interest Research Group.*

Senator Russell B. Long, *53, Democrat, Louisiana; Chairman, Senate Finance Committee.*

Honorable John B. Connally, *Secretary of the Treasury.*

Assorted Lobbyists.

Act I
The Administration

Secretary Connally: Mr. Chairman and distinguished members of the committee, I am very grateful for the opportunity to appear here this morning. . . .

I appear before you today to urge the earliest possible enactment of H. R. 10947 (the Revenue Act of 1971). These tax proposals are an integral part of the comprehensive economic program announced by President Nixon on August 15. . . .

Mr. Chairman, an objective analysis of the comments made in the House Ways and Means public hearings and the discussions in the executive sessions must conclude that this Nation needs a job development credit at a permanent rate of at least seven per cent in the years ahead. . . .

Mr. Chairman, H. R. 10947 has been criticized as favoring business over individuals. . . . [Our] figures indicate that rather than providing a "bonanza for business," we have, if anything, gone too far in cutting individual income taxes at the cost of productivity, growth, and international competitiveness. . . .

* * * * *

The Chairman: Senator Fannin.

Senator Fannin: Thank you, Mr. Chairman.

Mr. Secretary, I commend you for an excellent statement and one that I think means a great deal to this Nation. I assume, from what you have said today, that the goal you have is to increase employment in this country, and to make our Nation, to the greatest extent possible, competitive with the other countries of the world.

I think that you have pointed out the way this would be done. . . . I agree with you. . . . I commend you for what you are doing to try to change the picture, because it must be, if we are going to be able to maintain the jobs we are all talking about and to pass that money back down through to the people that are so much in need in this country. . . I certainly agree with that, and I think that you are headed in the right direction. . . . I agree with you, Mr. Secretary. . . .

* * * * *

The Chairman: Senator Bennett?

Senator Bennett: Thank you, Mr. Chairman, and as you know, Mr. Secretary, I am in support of the program, the President's

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program, so I have no questions to ask which might generate activity on the part of the television cameras on my left. . . .

* * * * *

Secretary Connally: . . . The corporation is nothing except an entity through which individuals transact commerce and business. That is all. The only conceivable beneficiaries of any corporation are individuals, if there are any benefits.

If there are detriments only, those who are done damage are individuals. A corporation is a legal entity on paper. The entity itself could not care less whether it makes a profit or loss.

The workers ought to be concerned, and I just would point out again that 68 cents of every dollar goes to wages and salaries.

Senator Bennett: Which is 10 times as much as goes to dividends.

Secretary Connally: To the investor. He gets about six per cent if he is lucky.

Senator Bennett: That is right.

Secretary Connally: So I think the worst thing that can happen to the country is for us to be divisive in the type of comments that we make with respect to the entities through which we do business. . . .

Act II
The Lobbyists

Theodore F. Brophy (Counsel, U. S. Independent Telephone Association): . . . We are seeking no special privileges for the telephone industry, but we are seeking to avoid discrimination against the telephone industry.

H. R. 10947, as passed by the House, limits telephone companies to a four-per cent investment tax credit as against the seven per cent given to their competitors. . . .

Senator Bennett: I have just one question, while we are waiting for the Chairman.

It seems to me about 10 years ago I spent a night in a Las Vegas hotel, and that hotel had these foreign telephones which are activated when you lift them up. It was the first time I have ever seen them. You mean to say when they purchased instruments of that kind they shut themselves off from outside connection? [Prior to 1968, such foreign switchboards could be used only for internal communications.] I am sure they didn't.

Mr. Brophy: I believe those were foreign instruments that were purchased by an independent telephone company serving in that area, Senator, and were not owned by the hotel at that time.

Senator Bennett: I see.

Mr. Brophy: There is increasing foreign competition in the sale of telephone equipment and our competitors the Japanese have been making a market in the sale of telephone equipment in the United States, and I think this is another reason why the American manufacturer in selling to the telephone company and to the telephone company's competitors need the seven per cent credit to encourage the purchase of American-made equipment. Japanese switchboards are now being offered and sold to hotels and motels and even being used by some operating telephone companies because they have an obligation to the public to provide equipment at the lowest possible cost.

Senator Bennett: That satisfies my curiosity. . . .

Mr. Brophy: Thank you.

Senator Bennett: Thank you, very much.

* * * * *

John P. Roche (President, American Iron and Steel Institute): . . . The steel industry strongly favors H. R. 10947, and we believe it is important that the nation's current economic problems be dealt with decisively and promptly. We hope that there will be favorable action on this matter by this committee and that the overall program will be adopted by the Senate. . . .

I am not discounting at all the importance of the importance of the investment tax credit, but I do want to point out that this matter of obsolescence in the steel industry has been overworked, not by the firms of the industry, but unhappily by many of those who are not too much interested in the steel industry prospering in the United States.

I can say without reservation, Mr. Chairman, that the technology of the domestic steel industry in the United States matches any in the world, including the Japanese. We have been spending billions of dollars every year for the past 10 years and we have brought our plant up to date. . . .

Senator Bennett: I am not going to pursue questioning. . . but when Mr. Roche makes the flat statement that the steel industry caught up with the technology of the world, he should come out to the Geneva plant and realize that it is fighting for its life with technology that hasn't changed much since it was built in 1945.

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wom-an, *n.*—female, femme, dame, bitch, broad,chattel, biddy, little woman, frail, filly, skirt, chick, vixen, tomato, a rag of bone/a hank of hair, bimbo, moll, squaw, babe, baby doll, bag, doll, wench, weaker sex, lesser vessel.

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—form of address meaning whole person, female.

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A blueprint for taking control of the institutions that control our lives.
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GERMAINE GREER ANSWERS ANN LANDERS
Ms. Landers has views on how mothers should raise teenage daughters. Ms. Greer doesn't agree.

UP THE MALE HIERARCHY—AND WHAT TO REPLACE IT WITH
The pyramid in which the few tell the many what to do isn't working any more, at home or in the office.
by Robert Townsend

THE BOYCOTT: WOMEN'S NATURAL WEAPON
Women make 80% of the purchases at point of sale: the consumer boycott, and how to use it. *by Florynce Kennedy*

MANNERS FOR HUMANS
No more inviting the mentally deficient male or female just because we need boy-girl seating at a dinner party. This is the new, humanist etiquette.
by Jane Trahey

THE MOVEABLE RAP GAP
The consciousness-raising group is the heart and soul of the Women's Movement. Well-known women conduct one here.
by Claudia Dreitus

TWELVE THINGS YOUR GYNECOLOGIST NEVER TELLS YOU
Making doctors — and the health community — recognize the needs of women.
by Ellen Frankfort

THE DEATH OF TICKY TACKY BOXES
An interesting survey of new living units, new plans for communities, that don't enforce our nuclear and lonely lifestyle.

WHAT'S IN IT FOR ME
A diverse group of men comment on how they expect the liberation of women to affect their lives.

SALARIES FOR HOUSEWIVES
Instead of money we have to ask for and then feel guilty about spending, why not recognize that housework is dignified, important work that deserves pay?
by Ann Scott

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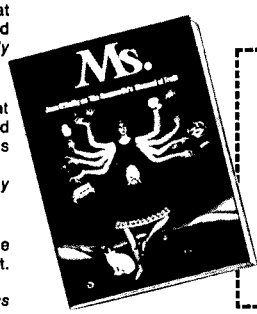

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If United States Steel would like to tell us it is going to come out there and bring that up to the very latest modern technology, I would be happy, and until it does, I will go on saying that one of the benefits of the tax credit seven per cent investment credit, is the hope that plants like this can be brought up in line with modern technology.

Mr. Roche: Senator, I am not going to differ with that statement. I am talking about the steel industry in general in the United States. It is a big industry. There are many companies in it. . . . It seems to me that we are well on the road to having gotten over the hump that we have been sitting on our hands and not doing anything about modernizing plants.

Senator Bennett: Well, this is a pretty good argument; don't throw it away.

Mr. Roche: No.

Senator Bennett: That is all I want to say.

* * * * *

Franklin M. Kreml (President, Automobile Manufacturers Association, Inc.): . . . I am here to speak in support of the repeal of the excise tax on automobiles and light trucks in the amount respectively of seven per cent and 10 per cent. I speak particularly of the light trucks since 70 per cent of these of the gross vehicle weight of 10,000 pounds or less are used for personal transportation, for recreation, and for agriculture. Increasingly, these light-duty trucks are becoming a second car for an ever-growing segment of the American population and compete directly with the passenger car, particularly, of course, with the station wagon, ranch wagon, and such vehicles.

To speak descriptively of this vehicle, it is a four-wheel, single-tired vehicle. I have. . . some pictures of this vehicle. . . .

Senator Bennett: I think every member of the committee has seen a one-ton truck.

Mr. Kreml: Sir, I was myself surprised when I looked at the one-ton truck of today as compared to previous years' models.

The Chairman: Why don't you pass them them up here and we will take a look at them.

Senator Bennett: Off the record.

(Discussion off the record.)

Senator Bennett: You are right in assuming that there are many families that are developing these as a second family vehicle.

Mr. Kreml: . . . I would like to say. . . that we filed with the House Ways and Means Committee, and are prepared to file with this committee if you wish, letters from each of the principals of the industry indicating clearly and unequivocally that the repeal, if granted, will result in the passing on by the manufacturer of the full amount of the tax reduction. . . .

Senator Bennett: Mr. Chairman, I think we should have those letters in our file to which the witness referred, those letters indicating the passing on.

Mr. Kreml: We will be glad to do that.

Act III
The People

Thomas H. Stanton: Mr. Chairman, members of the Senate Finance Committee, I am Thomas H. Stanton, an attorney and member of Ralph Nader's Public Interest Research Group. Mr. Nader had hoped to be here today as well, to discuss the Nixon Administration tax proposals. These are proposals essentially to cut corporate taxes by 20 per cent permanently—by an annual average of about $7.3 billion—and without adequate economic justification by the Administration. . . .

The Treasury Department, upon whom this committee and the American people must be able to rely for professional analysis and carefully considered proposals, has failed in its task. Rather, it offers misleading rhetoric and deceptive statistics in support of this exorbitant tax package. . . .

The familiar business investment credit has been deceptively labeled a "job development tax credit," with no supporting facts from the Treasury to justify the misnomer. . . .

We do not make these charges lightly; I would like to introduce supporting materials into the record for the benefit of those who wish to pursue these matters in greater detail.

The Chairman: All right. . . .

Mr. Stanton: . . . After watching the Ways and Means Committee draw up this bill in only three days of secret session, and after watching the House pass the bill under a closed rule after only one hour of debate, and with only about 30 Members of the House present for the non-rollcall vote—after watching that unfortunate democratic spectacle—I would have to forecast that this committee also will not heed the recommendations of. . . economists, and that the Nixon Administration juggernaut will roll over the Senate Finance Committee as it rolled through the House.

Mr. Chairman, members of the commit-

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tee, I would be the first to rejoice at the failure of my prediction; but it appears that Treasury deception and misstatement have led to an atmosphere in which knowledge and economic fact will not play a role in the passage of the corporate tax relief bill of 1971.

Sir, we are prepared for questions in detail on any of these points.

The Chairman: Thank you very much.

Senator Fannin: I think it is worthless to ask some questions on such biased testimony. How do you think that our tax rates, tariffs, and incentives compare with other industrial countries of the world, our competitors?

Mr. Stanton: Well, sir, this is an important point because the Treasury has talked about something called the capital cost index, which deals with important questions of the effects of our tax structure on capital investment. I believe that is the point you are referring to.

There are several reasons why the capital cost index mentioned by Secretary Connally is a deceptive and misleading figure.

Senator Fannin: Deceptive and misleading? It is not, generally speaking.

Mr. Stanton: My point would simply be, if my words were too harsh, that the figures were not presented in proper context.

Senator Fannin: How are you to consider—

Mr. Stanton: Let me explain in detail.

Senator Fannin: Let me ask you this. What is your background and experience in business and government?

Mr. Stanton: Well, sir, relatively little. I have simply studied—

Senator Fannin: Still, you are criticizing people with long experience in government affairs, and I accept your testimony on that basis. Mr. Chairman, I have no further questions.

Mr. Stanton: I would like to present some discussion of those figures.

Senator Bennett: I object. I think this witness has had his time and he has indicated his bias, and I think we should go on to the next witness.

Senator Fannin: I think we have had enough.

Senator Nelson (presiding): What was it you wanted to say?

Mr. Stanton: I was asked a detailed question about capital incentives in the country.

Senator Nelson: Yes.

Senator Fannin: I withdraw the question.

Senator Nelson: I think he ought to be able to answer the question.

Senator Fannin: We only have a certain length of time for these hearings and receiving the testimony of our witnesses that are qualified to speak on the subject.

Senator Nelson: He sounds as qualified to me as most of the rest I heard here.

Senator Bennett: May I make the point he misstated the question deceptively. Was your question on tax incentives?

Senator Fannin: Absolutely. My question was how do you think our tax rates, tariffs, and incentives compare with other industrial countries of the world?

Senator Bennett: I heard the rates and tariffs. He is ignoring those.

Mr. Stanton: We are discussing a tax package and I thought I would concentrate on that.

Senator Bennett: On what?

Mr. Stanton: On the tax part of his question, sir.

Senator Nelson: What is the tax part of the question?

Mr. Stanton: The question was basically how our tax system compares with the systems of other countries as an incentive for capital investment. And in this regard I made reference to the statistics presented by Secretary Connally before this committee. . . .

First of all, if we take a look at the chart presented by Secretary Connally we find that there is surprisingly little correlation between tax incentives and the rate of economic growth.

For example, Japan has had a phenomenally high rate of economic growth and yet the United Kingdom, which has a relatively lower rate of economic growth, has more tax incentives.

Senator Bennett: Is this going to be a lecture that will take us into this afternoon?

Mr. Stanton: You criticized my bias first; now I would like to present the facts.

Senator Bennett: In how much depth? We have six more witnesses including that panel you talked about. It is 10 minutes to 12. How long are we going to have to sit here and listen to you?

Mr. Stanton: I am sorry you don't wish to listen to my presentation in detail and I will submit something for the record.

Senator Nelson: The chairman is back. If you wish to submit something in addition for the record on the points raised here I am sure—

Senator Bennett: I will be glad to read it.

Mr. Stanton: Thank you, sir.□

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How to Succeed in Business Without Really Bribing

by James Boyd

Every society proclaims a close relationship between its dominant group and Almighty God. It was inevitable, therefore, that in America businessmen would somehow expropriate the Lord. For many a dark Calvinist decade, success in business was held to be a sign of righteousness and of God's favor. Even when this assumption began to lose hold, corporate leaders were still invested with an aura of legitimacy, respectability, and capability not accorded to politicians, academics, or professional men.

Vast blunders and indescribable rogueries slowly dispelled that aura. It was all right for the public at large to be gulled by business, under the rule of *caveat emptor*, but for stockholders to be bamboozled by their own management, that was intolerable. A restorative was required—regulatory laws; for a business society, a nation of investors, must retain belief in the integrity of corporate processes and of the men who manage them.

And so the corporate officer or director has become ringed about with legal prohibitions. He may not buy or sell stocks on the basis of inside information not available to the investing public; may not benefit himself at the expense of his corporation; may not conceal relevant information from the stockholders on matters requiring their vote; may not misrepresent the facts to other directors or stockholders; may not leave the interests of the corporation undefended against the machinations of predators; may not borrow money to buy stocks beyond the limits of margin requirements. Behind these laws stands a vast array of prosecutors, courts, and regulatory agencies.

Or so we have been led to believe.

James Boyd is a contributing editor of The Washington Monthly. *This article is adapted from his chapter in* In The Name of Profit: Profiles in Corporate Irresponsibility, *to be published this month by Doubleday.*

The Aspiring Tycoon

It was Friday the 13th of December, 1968, but to Herbert Korholz, president of the Susquehanna Corporation, the portents had never seemed so favorable. As he savored his morning coffee, the *Wall Street Journal* was trumpeting to all who mattered the news of his $2-billion proposal to seize control of the American Smelting and Refining Company, giant of copper, silver, lead, and zinc. To the emerging tycoon such a feat is as intoxicating as is a double envelopment to the field marshal. "One of the largest corporate transactions in history," said the *Journal*.

His hair was brown, his figure was trim, his dress dapper, making him

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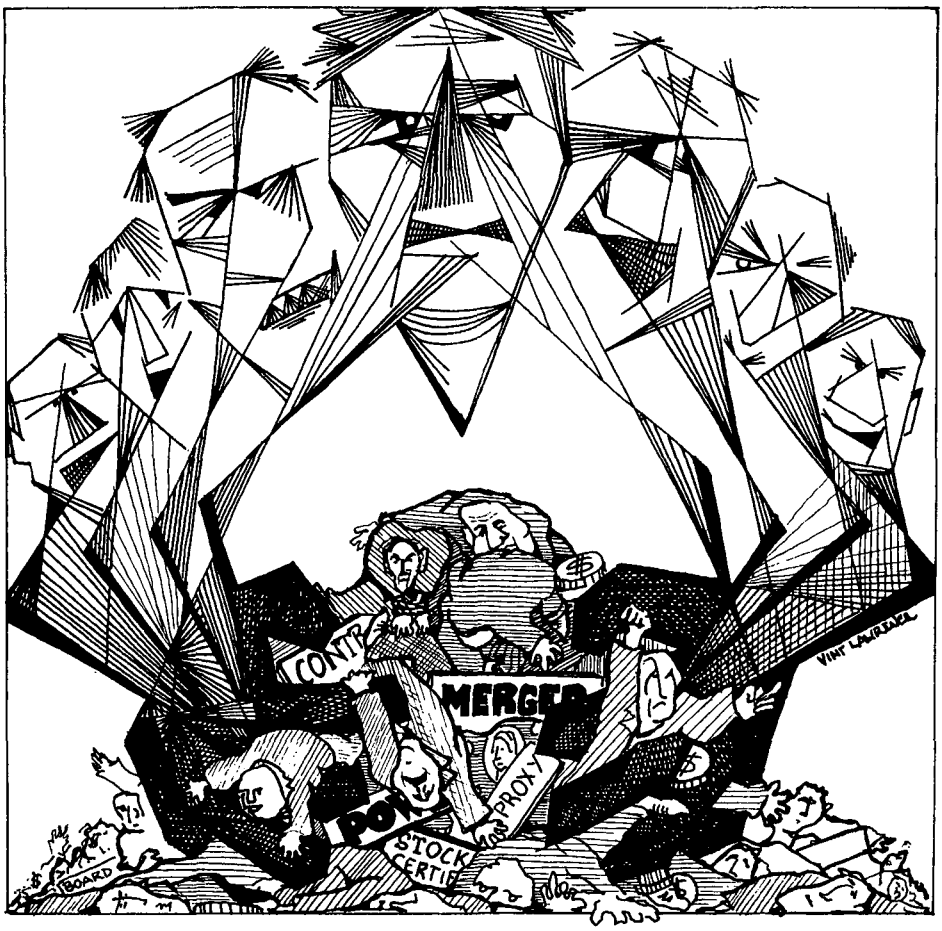

seem younger and taller than his 55 years and his five foot ten. He retained a kind of sinister handsomeness—eagle eyes, aquiline features, straight mouth. When he spoke, there was an enigmatic quality enhanced by a trace of native German in his voice—a blend of toughness and masked intentions. But on this triumphant morning, the sharp features must have been wreathed in unaccustomed warmth.

Only 24 hours before his bid for American Smelting, Korholz had consummated his capture of Pan American Sulphur, a quarter-billion-dollar complex with $60 million in cash in its treasury. This, added to the dominions conquered in a 10-year run of corporate take-overs—Better Industries, American Gypsum, Treesdale Laboratories, Susquehanna, Atlantic Research, Greystone, Xebec, Pioneer Astro, Bastian-Blessing—gave him and his confederates sway over a virtual empire in uranium, gypsum, cosmetics, electronics, aerospace, missiles, fertilizer plants, building materials, railroad properties, bus companies, and brokerage houses, an empire of solid substances which, he could boast to himself, had been created out of things as tenuous as paper, borrowed money, promises, sleight of hand. Was anyone laughing now?

The *Journal* headlines atoned for much that had been hard and humiliating—the long years of wandering through blind alleys, working for minor ad agencies and jostling for fringe businesses that, in the telltale phrases of the dossiers, "closed down with no forwarding address," or "discontinued" in the wake of lawsuits

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and creditor settlements. Even then he had the winning formula in his head; what he lacked was access to other people's money.

In 1952, however, Korholz emerged from a series of undistinguished soda pop and ice cream vending ventures with $100,000—or at least the use of it. With it, he laid claim to his first real corporate command. It was called the Rock Wool Insulating Company, of Pueblo, Colorado. Just how Korholz got control of it has "never been fully or satisfactorily explained" to Dun and Bradstreet. He appears to have advanced his $100,000 to one Anthony Reilly, president of Rock Wool, for stock purchases, then to have become engaged with Reilly in a six-year campaign of legal ambuscades from which Korholz emerged the survivor.

But not without suffering the sort of indignity that strews the path of the aspiring tycoon. He was adjudged the culpable officer in fraudulent evasion of Interstate Commerce Commission regulations. He was nailed by Internal Revenue for $38,774 in undeclared personal income taxes and for larger sums on his corporate returns. He was sued by stockholders for diverting corporate funds to his own use through the establishment of a dummy corporation, and for building a $100,000 house for himself at company expense (which he later bought from the company for $55,000). He was convicted and sentenced to federal prison for unlawfully giving money to a Teamster chief. And a federal judge found that he had acted with "bad faith and malevolent posture" in a patent-infringment ruse.

Caught in the act of using the patented spinning machines and processes of a competitor, he promised to cease and desist. A year later he was caught at it again; once more he promised to desist. This time the wary patent holders arranged for a tour of inspection. "Immediately prior to the inspection visits. . ." reads the judge's opinion, "Korholz ordered the dismantling and removal of the Downey spinners from the plant. One of the offending spinners was hid in the slag pit and the other was put in the junk pile." After the inspectors left, the spinners were dug up and reinstalled. Of such homely deeds, industrial baronies are born.

Prestige in the Pit

In the triumphant years after his release from the federal prison camp at Florence, Arizona, in 1960, Korholz had not changed his basic tactics, only the scale of his operations. The trick was to get big enough to be within the sanctuary of high corporate law; he had crossed that line when he took Susquehanna. To get there, and all the places beyond, he needed collaborators by the dozens—in corporate board rooms, in banks, among high government officials, even among friends of Presidents of the United States—collaborators who would bring him prestige and respectability along with wealth and power.

Our tale perforce centers on the grapplings of Korholz and the begrimed malefactors with whom he schemes and strains in the pit. But its portent lies equally in the immaculate accessories in the shade, whose part is lesser, safer, but indispensable. Such men are rich before a Korholz comes among them, but for the sake of further enrichment they suavely, routinely betray the very principles they are presumed to embody. On a Saturday or a Sunday in the privacy of their golf-club locker rooms, they may disdain a Korholz—but for his uncouthness, the obviousness of his greed, never for his rapacity itself. And on Monday morning, back at the office and behind the big desk, they are once again in league with him, once again gladly selling him their principal commodity, the honor that other men bear them.

The early Korholz, with insights beyond ordinary understanding, saw that the way to wealth lay in massive indebtedness. His prison term served, he returned to the command of Rock

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Wool Insulating Company in 1960 and immediately began those rapid marches and encirclements that would become his trademark. Borrowing heavily, he merged Rock Wool into Better Industries, Inc., a New England manufacturer of hair brushes and toiletries that had once enjoyed a $3-million annual business volume but had been in serious decline for several years, until its net worth had dropped to $8,363. Mergers with several other impecunious firms followed, and when the dust partially cleared, Korholz and his wife and three daughters were the sole owners of a curious agglomerate.

In 1961, Korholz merged Better Industries with the American Gypsum Company, a humble maker of wallboard with 66 employees. Under the terms of the merger, Korholz became a major stockholder of American Gypsum and was named to its board of directors. Soon he would be the controlling voice.

Now, at first look, this seems a Pyrrhic progress, an advance toward ever-greater insolvency. American Gypsum had lost $303,264 in 1960-61 and had liabilities of $2 million. But Korholz was not daunted by such conventionalities. Larger size, whether measured in profits or losses, can give the gifted a greater range for maneuver, which is what Korholz continually sought. Besides, the absurdities of the Tax Code gave a perverse value to white elephants. Profit-making firms can cut their taxes magnificently by merging with big losers; they call it tax-loss carry-forward. With the merger with American Gypsum, Korholz had at last pyramided his liabilities high enough to go hunting valuable properties.

In Treesdale Laboratories, a profitable Pennsylvania manufacturer of casting rings earning $2 million a year, Korholz found a voluptuous mate for his undernourished American Gypsum. But how does one overpower or inveigle the fair one into such a betrothal? Korholz's solution would be portentous.

Suppose Korholz had his American Gypsum Company borrow enough money to buy, not 51 per cent of Treesdale stock, but 20 per cent. Suppose this stock was personally owned by the chairman and key directors of Treesdale and suppose he paid them an above-the-market price for it, a bonus or "premium" that meant a big profit for the sellers. And suppose, as a condition of the sale, the directors agreed to resign, to be replaced by Korholz and his men. Without having risked a stockholders' election, Korholz would have control of Treesdale in every sense necessary to him—the power to manage, to hire and fire, to dictate the agendas of board meetings, to dominate the board and the company through his chairmanship, his control of information, his manipulative skills, and the allegiance of the trusted directors he brought with him. And suppose he used his preeminence to bring off a merger of the two companies he thus controlled—fair Treesdale and spare Gypsum. Upon merger, the debts of both would be assumed by the new entity, *including the debt incurred by Gypsum to buy the control stock from Treesdale's resigned directors.* Skeptics might argue that Treesdale had thus paid for its own takeover, but it was unlikely that such simplistic reasoning would find sympathy with the courts.

To bring about so bloodless a victory required a deft helper on the inside of Treesdale, a confidence-inspiring figure possessed of the background that corporation snobs call "quality." Korholz had found such a man in Edward T. Boshell. Now in his sixties, Boshell had in his prime been head of a vast utility, Standard Gas and Electric, then president of Westinghouse Air Brake. Now he was a "financial consultant"; with W. C. Fields mien and blue-chip past, he moved comfortably between operators like Korholz and board-room grandees. Boshell had assisted Korholz in a previous merger attempt and was again available. Korholz's banker, First National of Boston, was also

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banker for Treesdale and now used its influence there to have Boshell installed on the Treesdale board of directors. In due course, Boshell informed Korholz that the chairman and key directors of Treesdale would happily entertain an above-the-market offer for their stock, to be accompanied by the appropriate resignations and replacements.

The suppositions detailed above smoothly became realities; the purchase money was borrowed, the stock sale was concluded, the existing management resigned, the new management took over, a merger was duly effected, the purchase loan was assumed by the surviving entity which would retain the grandiose name, "American Gypsum."

The union between Korholz and Treesdale was consummated in December, 1964; by January, 1965, Korholz was tumescent again with plans for his next liaison. The possession of Treesdale made him a more appealing suitor, giving his agglomerate an annual profit, a look of solidity and health. He wanted a partner, as he said, "with heavy resources and widely scattered and diffuse stockholders" —that is, lots of cash and thousands of shareholders so disorganized that control could be seized by another inside deal. A series of circumstances as fickle as those which resulted in the last-minute selection of Hiroshima turned Korholz toward the Susquehanna Corporation, headquartered in Chicago. His infiltrator, Boshell, happened to be a director of Susquehanna; Boshell's son—Ed, Jr.—happened to be the Susquehanna official in charge of seeking merger prospects; and Susquehanna happened to be in the process of liquidating its major asset, the North Shore Railway, the sale of whose properties had boosted Susquehanna's liquid assets to $23 million, $12.5 million of it in cash. Thus, the essential prerequisite was present—the possession by the merger victim of liquid assets greater than the costs of its takeover.

Boshell brought Korholz together with Boshell, Jr., and President Raben Schenk of Susquehanna for preliminary talks; Korholz liked what he heard well enough to begin to set things up with his New England bankers. The battle plan, cleared in detail with the bankers, was to be a rerun of the Treesdale campaign, though the stakes were much higher. Korholz would offer key Susquehanna directors $15 a share for the stock they personally owned, which was worth $11.75; to get this personal windfall, five directors must quit the board, to be replaced by Korholz and his men. Once Korholz was in control of Susquehanna's board, the merger with Gypsum would be little more than a formality. Korholz was willing to pay up to $6.5 million in borrowed money for 430,000 shares—to assure enough resignations to give him the chairmanship.

Merge Now, Explain Later

But lowering over this golden prospect were two clouds of misgiving. The first was the reliability of the board chairman and real power at Susquehanna—J. Patrick Lannan, at 59 a buccaneer of legendary machinations. The *Chicago Daily News* described Lannan as "a self-made multimillionaire with fingers in scores of corporate pies and seats on the boards of more than a dozen companies. His reputation as a man who never loses in a deal was marred just once—when his wife in 1962 won Illinois' biggest divorce settlement from him—$3 million." But Korholz was satisfied that Lannan wanted to get out of Susquehanna if the price was right, and he was offering Lannan a price that would mean upwards of a million-and-a-half dollars in instant profits for him and the select group of relatives and friends admitted to the deal.

The second cloud had to do with the recent history of Susquehanna. Lannan and his fellow directors had just been reelected after a bitter contest. To win it, they had sent proxy solicitations to the 9,145 stockholders

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which warned that any change in management could "seriously hamper merger negotiations now in progress with several major corporations whose stocks are listed on the New York Stock Exchange." At the stockholders' meeting Lannan had given his public assurance that he would not sell his stock "even for $18 a share." Moreover, since the stockholders had been assured that mergers were being considered with companies listed on the New York Stock Exchange—an important status, testifying to a degree of stability and durability—how could Susquehanna management turn around and merge with American Gypsum, a firm very definitely *not* listed on that exchange?

Embarrassments, yes; but not impediments. Korholz knew too well the inconstancy of corporate managements, the inattention of stockholders, and the supineness of regulatory bodies to be daunted by anything said at annual meetings or written in proxy solicitations. He proceeded with his plans, borrowed $6.5 million from the First National Bank of Boston, offering as his collateral the signed resignations of enough Susquehanna board members—and the designations of Korholz men to replace them—to guarantee access to the Susquehanna millions. Explanations to the Susquehanna stockholders could be made later, when Korholz was in firm control of all the machinery.

All went like clockwork; 30 days after the Lannan group won reelection on a "don't change management now" plank, the stockholders read in the newspapers that it had abdicated and turned the chairmanship over to the stranger with the eagle eyes and enigmatic smile.

Lannan, the old manipulator, exited from Susquehanna laughing. Not only had he pocketed another fortune, but he had bequeathed an internal plague at Susquehanna that went by the name of Mike Coen. Korholz had not been the only suitor to aspire to control of the millions piling up in Suzy-Q's treasury; before his advent, Coen had accumulated 250,000 shares of Susquehanna stock. With it, he had harassed the Lannan leadership for months and led the proxy fight that called forth from Lannan those assurances to the stockholders he so routinely discarded after election day. Coen had won only two places on Susquehanna's 15-man board, but in Coen's hands they represented a beachhead from which a free-swinging assault could be launched against Korholz.

Three-Finger Marx

Coen was a substantial foe; his early thrustings for corporate leadership were not dissimilar from Korholz's. There is a large file on Coen maintained by the National Association of Securities Dealers, an official body that works in tandem with the Securities and Exchange Commission (SEC) in policing the more outrageous swindles among stockbrokers. In 1951, when Coen was a stockbroker, he was fined $1,000 and had his license suspended for a year for a series of shady practices that, as the judgment said, "cannot be too strongly condemned and should be severely punished." If the sentence seems anticlimactic after the findings, we must remember that businessmen trying other businessmen are like senators judging a peer, or judges giving suspended sentences to peculating D. A.s.

In 1964, Coen again achieved public notice. He and six fellow owners of Kansas City Transit, Inc., hereinafter called the "Kansas City group," were censured and restrained by the Missouri Public Service Commission for profiteering and piracy, or, in the softer words of the Commission, for "a ruthless raid on the assets of the transit company in utter disregard of its responsibility as owner of a public utility." Coen's censured partners in Kansas City Transit were pillars of the midwest business community; one of them, William Morriss, is now the lieutenant governor of Missouri; two others, A. D. Martin, a director of 30

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companies, and Albert W. Thomson, once a lawyer for the SEC, and now Coen's lawyer and chairman of the Board of Police Commissioners of Kansas City, were sitting on the board of Susquehanna as legates of Coen when Korholz, flushed with victory, arrived to take command as board chairman.

Being opposed by Coen is not unlike being simultaneously set upon by Three Finger Brown and the Marx Brothers. He had made life miserable for the great Lannan by having his surrogates on the board vociferously oppose every routine measure Lannan brought up; they had even committed such heretical affronts as demanding audits of directors' expense accounts, opposing the chairman's selection of an insurance company, and voting against the *pro forma* complementary resolutions without which business moguls seem unable to proceed. For Korholz, Coen had the heavy artillery waiting—a formal broadside sent to all directors by his ally, Thomson. The letter charged that the Lannan-Korholz stock sale was a fraud on Susquehanna. It demanded that the board sue to recover for Susquehanna the "cash bonus" realized by the Lannan group, and urged the board to seek an injunction to restrain Korholz and his men from assuming office and to forbid the voting of the stock obtained in the "illegal agreement."

Korholz was wont to discount mere annoyances like fraud suits or the blatherings of the Internal Revenue Service. But like the inspired sapper who can divine the live bomb from the dud, he perceived Coen as a serious hazard that must be defused instantly. Besides, Coen gave signs of being a gentleman on the right wavelength, one he could work with profitably. Twenty-four hours after the Coen letter of accusation was distributed in Chicago, Korholz was conferring with Coen in Pueblo, Colorado.

Korholz put the question frankly, according to later testimony: "Do you want to make some money on your investment or do you just want to raise hell?"

Coen allowed as to how he was interested in making money, and Korholz said, ". . . first of all, get rid of this letter and then I will do it; we can work quietly on some program that gets you what you want as long as it is within reason and it gets me what I want for the company."

The "program" agreed upon was that Korholz would borrow more money from First National of Boston to buy Coen's 250,000 shares at the price he had given Lannan—a $700,000 windfall for the Coen group. Coen promptly withdrew the offending letter, announcing blandly that it had been "inadvertently sent." Accompanied by Coen's man, Thomson, Korholz set off for Boston to borrow the money, but this time the bankers said no. Coen unabashedly reissued his letter, which was passed out by Thomson to all his bemused fellow directors at the next Susquehanna board meeting, on June 18, 1965. Korholz temporarily buried the letter by referring it to his general counsel. Then he arranged for another confrontation with Coen, in Kansas City, where he made a new proposition.

Among the Susquehanna riches that Korholz now managed was a block of 140,000 shares of the Vanadium Corporation of America. Vanadium had long been anxious to buy back this block, and Susquehanna had repeatedly assured its stockholders that when it did sell, it would obtain a large profit. But Korholz now offered that stock to Coen in return for Coen's Susquehanna stock—and for calling off his dogs—a proposition that would mean a profit to the Coen group of almost the exact size envisioned in the first Korholz offer. The terms of the offer to Coen meant an actual loss of $200,000 to Susquehanna, plus a loss of the profit that had been predicted, and which Coen would now assay. Coen looked at Korholz and said, in that laconic phraseology that suffices for peers

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who are in almost wordless communion, "You're thinking along the right lines."

Having procured authorization from his board, Korholz introduced Coen to a power at Vanadium. Coen quickly sold Vanadium the stock just bought from Susquehanna, for $681,000 more than he had paid Susquehanna.

A Fiscal Pacifier

Whatever the deal's effect on Susquehanna's treasury, it dramatically improved the management's relations with Coen. On August 8 the sale papers were signed. On August 10, Coen formally withdrew his much-traveled letter, stating as his reason that "further investigation of facts and law indicated this action is not warranted." Henceforth, Thomson and Martin, Coen's cronies on the Susquehanna board, would support every Korholz proposal until they resigned. And with Coen removed, only the formalities of ratification stood in the way of the merger between American Gypsum and Susquehanna. As Korholz would later say, "I was Gypsum, and I was Susquehanna."

Though Korholz now dominated the management of both corporations, his own money was sunk into only one—his family owned 58 per cent of American Gypsum's stock, but they owned very little Susquehanna stock. Notwithstanding this obvious imbalance of personal interest, Korholz was the principal actor in setting the conditions under which Susquehanna, the "surviving entity," would take over American Gypsum's assets *and also the $12.5 million in debts Korholz had negotiated in recent months.* Although the book value of a share of Susquehanna's stock was four times that of American Gypsum's, the two stocks were exchanged at a 1.9-to-one ratio. This ratio was justified on the grounds that Susquehanna's strong cash asset position was minimized because the company was a "liquidating concern," and in reverse, Gypsum's weak balance sheet was upgraded on the basis of expected future profits. The equity of this ratio is still under challenge in the courts, but the effect of the merger on Korholz's personal holdings is already a matter of public record. On merger day, Korholz's 1.4 million shares of American Gypsum, worth several million if a buyer could be found, were automatically converted into 736,000 shares of Susquehanna that, within 16 months, would have a market value of more than $20 million.

There remained only the detail of submitting to the SEC the required proxy statements to the stockholders which purport to present all relevant facts about both companies. Since Korholz controlled both managements, had bought out all serious opposition, and had control of the official information the stockholders would receive—the "decision" of the stockholders was almost as preordained as the result of an election in the AFL-CIO. Still, one must always be careful.

'A Problem of Presentation'

There was one embarrassing fact that somehow must be hidden from the Susquehanna stockholders—the $6.5-million debt American Gypsum had incurred to buy out Lannan, which was repayable by the surviving "Susquehanna Corporation" immediately after the merger. Even if such a fact were hidden in a footnote, amidst tables and graphs at the bottom of page 65 of a monstrosity so unedifying that only a nit-picker would plow through it to the end, it would have a certain sore-thumb quality that might attract troublesome notice; it would be like a man's learning on his wedding eve that his thickly veiled bride not only had no dowry, but owed vast debts that had to be paid off right after the marriage. And there was a greater hazard here than the threat of dampened connubial ardor. There was a law that required merged

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companies to maintain an unobligated cash reserve sufficient to pay off all dissatisfied stockholders who opted to turn in their stock rather than stay with the merged firm. Some clerk at the SEC might study the proxy statement all the way through and decide that cash reserves were insufficient to pay off Gypsum's debts and still have enough left over to meet this obligation. Such a determination could block the merger; the precariously balanced house of cards might come tumbling down.

Korholz talked it over with the indispensable Boshell, who had been designated to "act for" Susquehanna and protect its interests in the merger (the ironies of finance are even more delicious and sadistic than those of politics). Boshell agreed that they had "a problem of presentation." The solution, they decided, was to persuade the First National Bank of Boston to help them conceal the requirement of immediate payment. Why couldn't the records be changed to show a repayment date in the remote future—a change in writing only, of course? Korholz would make a binding oral promise of immediate repayment, but it would be a secret—from the SEC, the stockholders, even from the company auditors, to make sure they didn't enter that $6.5 million in the books as a current liability. Massachusetts Mutual and State Mutual would have to agree, too, because Gypsum owed them another $6 million, and their permission was required for any change in Gypsum's loan picture.

A more timid soul would have paled at the thought of asking a great bank and two distinguished insurance companies to participate in deception, but Korholz knew his bankers well.

The lenders swiftly agreed.

Thus was the real repayment date expunged from the public records, although secretly retained, and the merger pushed through without the stockholders or the SEC being informed of its most vital aspect.

Here, as in Treesdale and in later raids, we see the lenders going beyond their accepted role to become the prime catalysts in mergers, using their financial muscle to force corporations to operate not so much in their own interest as in that of the banks. We witness large loans generated by piratical designs for which First National of Boston and the insurance companies profit handsomely in interest, commissions, and the use of corporate deposits. And the record of State Mutual reveals huge side profits attached to loans—profits for the company and its key officers. In consideration for its loans to Treesdale and American Gypsum, State Mutual required the issuance to itself of stock warrants entitling it to purchase 160,000 shares of stock at sweetheart prices.

Every Board Has Its Price

As we watch our hero, knife in teeth, boarding Susquehanna from one side and Coen scaling up the other while Captain Lannan and his officers abandon ship, a moment's silence may be in order for 9,145 passengers entrusted to the care of these gentlemen. Who was protecting their interests? Law, ethics, and custom impose that responsibility on the Susquehanna board of directors. How these directors met that responsibility tells much about the standards of corporate leadership in America, for the Susquehanna board was no aberrational collection of the shabby or obscure. Many of its names are recognized throughout the business world. We have noted Boshell's extensive corporate background and that of A. D. Martin. Pat Lannan was a top figure in ITT and the Crowell-Collier-Macmillan publishing empire. Harold Stuart, a director of Greyhound and Skelley Oil, could say casually that among his law partners over the years, one had become Secretary of the Air Force, another governor of Missouri, a third a federal judge, and two others United States senators. George Bard was president of Kelso-Burnett Electric. Aksel

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Nielsen had been head of the Federal Reserve Board in Denver and was known among businessmen as a frequent golfing partner of President Eisenhower. Aristocrat-banker Wheelock Whitney, a major Susquehanna stockholder and recently resigned director, was a governor of the Investment Bankers Association of America and in 1964 had been the Republican candidate for the Senate against Eugene McCarthy.

At the time Korholz appeared on the scene, all 15 directors—except Martin and Thomson of Coen's Kansas City group—were informed that Korholz was clandestinely buying up large amounts of Susquehanna stock at a price way above the market. Not only did no director see fit to inform the general stockholders, the investing public, but most directors traded the stock on the basis of their inside information. Lannan and Boshell and Ralph Bogan, another director, set up the covert change of management to be followed by the merger, but kept it secret from many of their fellow board members and from the stockholders. Lannan, Wirtz, and three others resigned their posts of trust a month after being duly elected and turned them over to unlikely newcomers planning basic changes in company policy. J. Earle May and Francis Woolard, two other directors, did not sell their own stock, recognizing the impropriety involved, but they used their inside information to urge the clients of their brokerage firms to sell holdings in Susquehanna stock at the fancy price. Martin and Thomson used their directorships to engineer the sale of Vanadium stock to their ally Coen at a fantastic profit to Coen and a serious loss to Susquehanna. Not a single member of the board took any step to alert the stockholders to all this critical information or, except for the strategems of Martin and Thomson, to protest the covert self-dealing taking place on all sides.

Wheelock Whitney, owner of 25,000 shares of Susquehanna, was traveling when the $15 offer was made, and by the time he heard of it, and of the pull-out by the Lannan group, Korholz had exhausted his credit and obtained all the resignations he needed. Did Whitney, that elegant gentleman, protest the traffic in stock and office? Not at all. He sent emissaries to Korholz to complain that he had not been let in on the deal and to ask Korholz to buy his 25,000 shares at the special price, even though the offer had run out! Korholz, in his own way a statesman, borrowed some more money, and in concert with an associate, bought Whitney's stock, at $75,000 above the market. Wheelock Whitney is today president of the Investment Bankers Association of America; he has taken to publicly lamenting "a loss of values and disciplines" in the investment world, and to exhorting bankers to "self-regulation" and "self-discipline."

Schy in the Ointment

Had it been left to the regulatory and law-enforcement bodies that are supposed to police corporate transactions, Korholz's conquest of Susquehanna would have passed unchallenged. But to one small stockholder, Maurice Schy, the sudden handing over of his company to Korholz just didn't look right. Schy had repeatedly seen and heard Susquehanna directors assure the stockholders of one thing and then do another, and it nagged him. His investment in the company was small, but the principles seemed to him fundamental.

The hallowed right of a small stockholder to sue errant management is in practice among the most circumscribed of all our rights. One can exercise it only by mortgaging one's financial future to meet crushing legal expenses, and by sacrificing years of life contending with revolving teams of corporate law firms which, being immortal, thrive on delay. Schy could carry the fight only because he was a lawyer, enjoyed vigorous health, and had some financial reserves. His co-plaintiff, William Dasho, would die in

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the course of the litigation, years before its resolution was even in sight.

Beyond the attritions of time, money, and unequal combat, there lives the tolerance of some courts for corporate offenders. When *Dasho vs. Susquehanna* had its first day in court, in Chicago, before federal Judge Abraham Marovitz, it was summarily thrown out; many suits would have ended there, but Schy and Dasho persevered in the appeals process and got a reversal. When the trial at last got underway, Judge Marovitz persisted in describing the cast of characters assembled in this tale as "men of unchallenged integrity and veracity." Confronted with the various convictions, fines, penalties, and judgments against Korholz, the judge simply refused to admit them in evidence.

Then there was the element of Olsen and Johnson burlesque—the other suit against Korholz, *Mueller vs. Susquehanna*, which was tried in the same courthouse, upstairs. Mueller was suing Korholz for the return to the company of profits he had made from trading in stock as an insider. For reasons too complicated to go into here, it was necessary upstairs for Korholz to prove that he had bought the 430,000 shares not for himself, but for American Gypsum; while downstairs it was equally essential for Korholz to prove that he had bought the 430,000 shares not for American Gypsum, but for himself. Therefore, his lawyer, attorney Charles Rhyne, had made one opening argument upstairs, and the opposite argument downstairs. Upstairs Korholz had sworn that a certain discussion had taken place on May 1; downstairs he swore with equal vehemence that the date was May 3. Alternate diaries proving both cases had been submitted by Rhyne as evidence. And so on. Schy, feeling like the man in Kafka whose eyes were "aching from the strain of finding his way about," tried to have the Mueller testimony inserted in the record to refute what was being said in front of him, but Judge Marovitz would have none of that. What went on upstairs had nothing to do with what went on downstairs.

At the conclusion of the trials each side submitted its proposed findings to the court. On every contested point, Judge Marovitz decided in favor of the Korholz faction. Of the 92 findings in the Judge's opinion, 84 were taken verbatim from Susquehanna's offering and four others were almost verbatim.

In essence, the court found that the defendants were respected businessmen of integrity and veracity acting in good faith on the basis of an informed business judgment. This is a formidable legal formula in a corporate trial which excuses much. All the transactions described above were judged in that light. There was no conspiracy, just unconnected circumstance; no hiding of material facts, just prudent reticence; no sale of control, just an orderly change of officers in a normal way; no looting, just normal profit on a large block of stock; no dishonor in the Coen sale, just removal of a divisive influence for the good of the company. In none of it did Judge Marovitz find any departure from normal, acceptable business practice.

Korholz Merges Onward

Korholz had now reached a point where he and his friends could make millions on side deals that required little more than the stroke of a pen. Side deals and foraging did not long divert Korholz from grander designs, however. Royally enthroned in the Susquehanna board room on Chicago's North Wacker Drive, he followed up the Gypsum-Susquehanna merger with a seven-front offensive, gradually encircling ever-fatter targets. Now in control of Susquehanna's treasury, he laid siege to General Refractories, spending $10 million to corner 24 per cent of its stock in late 1965. In 1966, he began his acquisition of Xebec and then of Atlantic Research. In July, 1968, his forces would annex Pioneer-Astro. In De-

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cember of that year, Bastian-Blessing would fall captive. His plans for the seizure of the great ones, Pan American Sulphur and American Smelting and Refining were steadily maturing.

One of the first to fall, the Atlantic Research Company of Alexandria, Virginia, was a diversified manufacturer of electronics, plastics, aerospace, and food-processing systems. Atlantic Research was the prime Air Force contractor for the Athena four-stage rocket vehicle system, as well as a maker of tactical missiles, bombs, incendiaries, and other weaponry. Its annual revenues were running at $75 million and it was sought after as a merger partner by such estimable companies as Singer, Whittaker, and the Ogden Corporation of New York. This was stiff competition for Korholz to meet, but with his exquisite nose he smelled out the soft spot in Atlantic Research's defenses—its leadership.

Two scientist-entrepreneurs were the big stockholders and bosses. If Korholz found the chicaneries of Lannan and Coen enticing, the attraction of partnership with Dr. Arch Scurlock and Dr. Arthur Sloan must have been irresistible. The stewardship of these gentlemen had occasioned a series of tax penalties, fraud settlements, and injunctions to warm the heart. An SEC finding on Scurlock and Sloan's management hummed with such phrases as "misrepresentation and fraud"; "false and misleading statements"; "failures to disclose matters of self-dealing"; "secret profits"; "mockery of the truth"; and "sham transactions designed to embellish its financial statements."

Moreover, Scurlock and Sloan had fallen to feuding with each other, and Scurlock was actually in the process of being forced out as a director. With the leadership divided and vulnerable to infiltration, Korholz moved in. First he approached Scurlock. Scurlock needed money, big money. (For one thing, he needed financing for the half million he had to return to his company treasury in order to settle various stockholder suits against him.) Korholz agreed to fix him up with a loan of $1.8 million. To arrange this opening gambit of his takeover strategy, Korholz went to a friend, C. Arnholt Smith, president of the National Bank of San Diego. Smith has several credentials for skullduggeries of this sort. He was an old confederate of Mike Coen and the Kansas City gang in some of their censured activities referred to earlier, and a close personal friend of Richard Nixon. Smith, an important GOP contributor who would give $200,000 to the 1968 presidential convention and raise a million more, would be one of the select few invited to hear the 1968 election returns with the President-elect. A *Wall Street Journal* investigative report on this self-made millionaire had labeled him a "self-dealing tycoon" who "uses publicly owned firms to aid private ventures."

Smith, who would later join Korholz on the Susquehanna board, agreed to have his bank make the loan to Scurlock. On December 6, 1966, the loan papers were signed. On the same day, Korholz entered into the first of a series of merger pledges, first with the impecunious Scurlock, later with Sloan. These agreements were similar in that Scurlock and Sloan pledged to vote their stock in support of an Atlantic Research-Susquehanna merger; each principal gave advantageous stock options to the other and there were long-term guarantees to Scurlock and Sloan of salaries, offices, and other emoluments from the new Susquehanna that would result from the merger. For instance, Sloan was guaranteed a high office with a salary of $80,000 a year for a minimum of three years.

Korholz, in the process, acquired 141,700 shares of Atlantic Research at the price of $17.50 a share. Again, he would be in a position to profit from the inside knowledge that a merger was in the works, one that would drive up the price of Atlantic stock. Within six months, this stock would appreciate by $1,750,000. Korholz was not to enjoy the fruits,

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however. An alert stockholder named Wisotsky filed suit to recover this $1,750,000 for the company on the grounds that it was a result of insider trading. Korholz then turned the stock over to the company in pursuance of an "oral contract" he claimed was entered into before the Wisotsky suit was filed. Scurlock and Sloan were not so prudent. They were sued and found liable to the company for profits arising from insider trading and were assessed judgments of $736,519 and $67,539, respectively, at six per cent interest.

A Friend of the President

Whenever corporate executives exchange favors with each other, someone has to pay—the stockholders, the consumers, ultimately the national economy. In this case, the cost to Susquehanna stockholders is the easiest to trace. Scurlock and Sloan insisted that the stock which they and the other Atlantic Research stockholders would receive as a result of the merger be *preferred* stock, with a par value of $5, a guaranteed annual dividend of $1 per share, and a fixed liquidating value of $32 a share, right off the top, if the company ever collapsed.

After the new class of preferred stockholders had received their guaranteed annual dividends, or their liquidation price, there would probably be nothing left over for the 9,000 existing Susquehanna stockholders, either for dividends, or for liquidation if the company went bust. The Johnny-come-latelies would get it all. How do you persuade your stockholders to disenfranchise themselves?

To Korholz this was merely another "problem of presentation." On March 29, 1967, he sent out an ambiguous proxy statement which asked for "authorization" of a new class of preferred stock, just in case it was ever needed, a class for which management would set the terms. Management had no present intention to create or issue the preferred stock, the statement went on, no plans to merge with anyone, especially Atlantic Research. It assured stockholders that the authorization of the new preferred stock would in no way affect the interests of the common shareholders.

Students of Korholz's past could well suspect that those things he said he wouldn't do would immediately be done. But such students are few, and the stock kept rising under Korholz, so on April 21, 1967, the proxy request received the perfunctory ratification that 99 per cent of such requests receive. Five weeks later, Korholz unabashedly made a formal proposal to merge with Atlantic Research, a deal by which Susquehanna would issue three million shares of preferred stock and exchange it for Atlantic's common stock. Sloan would be the board chairman of the new Susquehanna; Korholz, the president and real boss.

One more technicality remained—ratification of the merger itself by stockholders of both companies. There was a chance of trouble here. The evasions required for successive victories had opened Korholz's credibility to doubt in some quarters. The adverse suits and internal scuffling that had raged around Sloan for years also evoked both apprehension and a longing for decorum and serenity.

Korholz and Sloan were enough the statesmen to realize that a figurehead was needed, someone whose reassuring image would lend an aura of probity and unity to what soured minds might otherwise regard as a prospect of mendacious and divided rule. In bygone times a United States senator or retired governor might have sufficed, but in these ungrateful days such offices inspire more suspicion than confidence. To fill the void, tycoons have developed a new institution—"friend and confidant of the President." Aksel Nielsen and C. Arnolt Smith had in the past served this purpose for Korholz and the Kansas City group, but now a fresh presidential friend was needed. Before

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Korholz and Sloan went before the stockholders, therefore, it was decided to bring in a nationally renowned lawyer, Charles S. Rhyne.

Rhyne's Decor

As past president of the American Bar Association, Rhyne stood on the top rung of his profession; as longtime chairman of the Committee for World Peace through Law, he had the patina of an international juridicist; and as a friend of Richard Nixon from law-school days at Duke (he would soon organize and run Citizens for Nixon-Agnew and would be highly touted in press speculation as a likely Supreme Court nominee when Nixon became President), Rhyne was the man to inspire confidence. Better still, Rhyne was already the general counsel at Atlantic, so the principals knew his mettle. Thus it was pledged in the proxy statement that the Honorable Rhyne would come together with Korholz and Sloan in a "voting trust" that would jointly control the 712,433 shares owned by Korholz and Sloan. This seemed to mean that neither of the principals could sell their shares so long as the trust existed, thus assuring a management free of manipulation and self-dealing. It also meant that on any issue on which Sloan and Korholz disagreed, there would not be anarchy; Rhyne would cast the deciding vote and the combined stock would always be voted as a unit on any major question facing the corporation. Such an arrangement seemed to assure unity of purpose between the two chief stockholders, as well as the restraint of a prudent and prestigious hand on the reins.

The merger was ratified on November 27, 1967. The stock was exchanged and the insider fortunes were made once more. The again-reborn Susquehanna changed its headquarters to Alexandria. But the "voting trust" never materialized! Nine months later, in one of those company reports the law makes necessary from time to time, conscientious shareholders might have noticed on page 27 an admission that the voting trust had not been formally entered into. No reason was given for this dereliction; instead, it was papered over with chaff about the trust being observed in fact, though not in form. Rhyne himself, as general counsel, was legally responsible for this statement.

Few of us would dare rely on an insurance policy that was said to exist informally, though not formally entered into, even if the assurance came from a presidential confidant; but such mumbo jumbo is often gotten by with in high finance. Regrettably, even the assurance that the voting trust was being observed informally was leaky. Other documents reveal that both Korholz and Sloan had been wheeling and dealing with the stock. At the time the statement was made, 40,000 shares had already been traded and 352,313 more were being put up for sale. Indeed, Sloan would later be found liable to the company and forced to make restitution for insider profits made from trading in this stock during his first six months under the trust.

Tucked away in another company report, dated August 16, 1968, is an entry recording that Charles S. Rhyne had received an option under the Employees' Option Plan to purchase 15,000 shares of Susquehanna at $41.50. We do not know the date this option was given, for it is omitted from the report—though the dates of all other options are listed and the report was prepared under Rhyne's aegis. All we know are the coincidences that Rhyne allowed his name to be used to decorate a nonexistent voting trust and that he allowed himself to accept a stock option from the hands of the two officials he was presumed to be restraining in that trust, but wasn't. The option was granted sometime between February and August, 1968. During that period, the stock hit $80. This represented, for Rhyne's 15,000 optioned shares, an appreciation of $577,500. Curious stockholders have been unable to get

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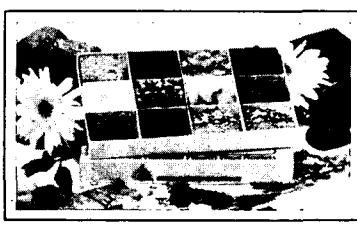

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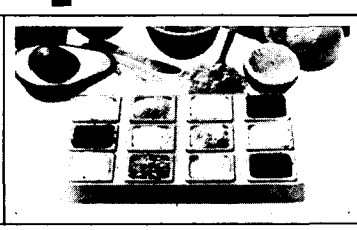

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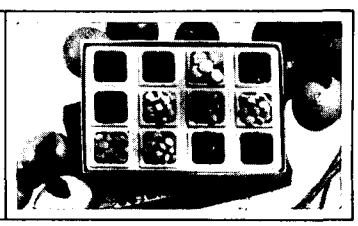

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to the bottom of all this. Presidential confidants, like the gods, don't answer their mail.

Dispensing with Cunning

Maurice Schy, the dissenting stockholder, tried to force a court review of this latest merger by filing a suit which claimed that the Susquehanna shareholders had been deceived (by misleading statements from management) into approving the issuance of preferred stock to their own great disadvantage. The case was dismissed without trial by Chicago federal Judge J. Sam Perry, and Perry was sustained on appeal. Since there was no trial at which the issues could be developed, and since the decision was based in part on a technicality regarding Schy's eligibility to represent Susquehanna stockholders as a class, the proceedings do not edify. They do, however, represent another judicial instance in which federal judges examined Korholz's mode of doing business and found that it conformed to approved standards.

Korholz had now grown large enough to sometimes dispense with cunning; he could annex corporations by frontal assault. On July 8, 1968, along with Mike Coen and the Kansas City crowd, he bought 61 per cent of the stock—absolute control—of Pioneer-Astro. Three weeks later, Pioneer-Astro moved to annex Bastian-Blessing via a "tender offer"—a public offer to buy, at an above-the-market price, enough stock to gain working control (since stock ownership is scattered and divided, working control can be achieved with far less than 51 per cent of all stock). The offer was successful and another corporation had suddenly fallen into Korholz's orbit.

Now for the big plunge. The plan was for a leapfrog merger with two titans. First, Susquehanna would merge with Pan America Sulphur (PASCO), and then use PASCO's assets to effect a merger with American Smelting and Refining (ASARCO). The result would be a $2-billion operation.

PASCO was a mining empire with $78 million in liquid assets, of which $60 million was in cash or cash equivalents. Korholz determined that working control of PASCO could be achieved by purchasing 38 per cent of its stock. This would cost about $72 million. He set the familiar operation in motion by calling on the First National Bank of Boston, who agreed to arrange for the credit with a number of domestic and foreign banks.

Leapfrog into PASCO

The next step was to neutralize the PASCO management; if they regarded the tender offer as hostile, as attempted takeover, they would fight it and might be able to defeat it. Korholz undertook to convince them that all he had in mind was a good investment. On October 30, 1968, he paid a courtesy call on the president of PASCO, Harry Webb, to discuss a "friendly" tender offer. On November 6, he appeared before the PASCO board to allay any apprehensions that he intended to raid, or loot, or take control. Not Herbert F. Korholz. In the tender-offer papers he filed with PASCO management and the SEC he put these assurances in writing:

> Susquehanna does not plan or propose to liquidate Pan American, to sell its assets to, or merge it with, any other person, or to make any other major change in its business or corporate structure.

Further, Korholz promised not to replace the existing board of PASCO. All he wanted, he said in writing, was to fill two present vacancies on the 14-man board. The PASCO management, apparently unaware of Korholz's history, accepted his words at face value and made no opposition, despite a catch-all escape hatch the wily Korholz had included thereafter:

> However, if at some subsequent time, it should appear the interests of Pan American stockholders would be better served by any of the foregoing courses of action, Susquehanna may propose or adopt such a course.

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But even as he made these solemn pledges, Korholz was assuring his lenders that he would use PASCO's assets to acquire yet another corporation; he did not even wait for the tender sale to be concluded before he began proposals to merge PASCO and ASARCO. On November 7, the day after he made his promises to the PASCO board, he told Richard J. Andrews, vice president of the Security Pacific National Bank, that the cash assets of PASCO were not available as collateral for loans because he planned to commandeer them for acquisitions. Five days later, while his bogus written promises were circulating among PASCO officials, he wrote to Andrews of his real plans:

> Earnings will be substantially increased when the $60-million cash plus the ability to borrow substantial long-term money on Pan American assets is used for acquisition purposes.

The tender offer was launched on November 26 with advertisements in the *Wall Street Journal* which repeated Korholz's "no takeover" pledges. On November 27, though, he as yet held no position whatever with PASCO and though the results of the tender offer would not be known for two weeks, Korholz assumed command by making an offer to the president of ASARCO to merge PASCO with it and to use PASCO's assets as security.

The tender offer turned out to be a rousing success. Korholz acquired 38 per cent of PASCO's stock. So he invested another $12 million and continued to buy until he held 51 per cent. At the first PASCO board meeting thereafter, the remaining Korholz promises were broken. Emissaries from the great man announced that he was taking over after all. The board was cut from 14 to 11 members, and enough incumbents were kicked off to make room for six Korholz men and one representative of First National of Boston. If he had lost some of his former subtlety, Korholz had raised his perfidy to new heights.

Behemoth vs. Behemoth

Which brings us back to that Friday in 1968 when our story began. Korholz is awaiting the response from ASARCO. His name is this day gaudily flashing across the financial heavens like one of his Athena missiles. In a decade he has risen from unsavory obscurity to control of 10 corporations and to a place among those select few whose net worth is so great it can never be accurately determined—market fluctuations may raise or lower it a million or two on any given day. Some are saying that Korholz is worth more than $50 million; his known Susquehanna holdings alone are valued at $32 million.

He lives, in these last days of the Johnson Administration, in Washington, in the posh Watergate complex, not far from the White House. His incoming neighbors will be potentates in the new Nixon Administration. His employees and partners have access to the new President, clout with the regulatory agencies, influence with the courts. Prestigious associates are at work effacing the humiliations of the murky past.

It must have seemed ironic to Maurice Schy that when a court case was finally won against Susquehanna management, he didn't happen to be involved in it. Korholz, by making his bid for ASARCO and seizing control of the PASCO board, had revealed his designs earlier than was prudent. The PASCO leadership immediately filed suit to enjoin Korholz from voting the stock they claimed he had obtained by misrepresentation. And ASARCO pulled out of any merger discussions with Korholz.

This time it wasn't a case of a citizen-stockholder going against a great corporation on hostile territory. It was behemoth against behemoth, and the case was tried, not in Susquehanna's Chicago ballpark, but in the federal district court in Dallas, where PASCO was the home favorite. Here Korholz's use of indirection was not

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treated so sympathetically, and the judge found in favor of PASCO, condemning Korholz's tactics and enjoining him from voting the stock he controlled. But no hosannas, please. The legal process had not yet had full opportunity to arrive at justice. Korholz's defeat lasted only as long as it took him and Rhyne to get into the Fifth Circuit Court of Appeals in New Orleans, where Korholz's semantical ambiguities and theory of business were better regarded. This court decided that there were ways the stockholders could have found out Korholz's true intentions no matter what the tender-offer statement said. Caveat emptor. The lower court was duly reversed as the legal system once more affirmed, in effect, that actions that are unspeakable affronts to personal morals are unobjectionable in corporate transactions.

By late 1968, some of Korholz's transactions were being looked at by the SEC, and Korholz would soon hire as Susquehanna's lawyer no less than the respected Manuel Cohen, who was about to retire as chairman of the SEC. Cohen had built up a reputation as a crusader for the public interest that should prove highly useful to Herb Korholz.

In the meantime, the SEC had started an investigation. Schy had for years been trying to stimulate SEC action against Susquehanna. The stated purpose of the SEC was to protect the stockholder and the public from fraud and misrepresentation, so Schy had kept after them, officially calling to their attention innumerable irregularities. But it was like talking to the Sphinx.

On one of his trips to Washington in 1969, Schy heard through the grapevine that Cohen, under whose chairmanship the SEC had begun investigating Susquehanna's activities, had just been retained as counsel by Susquehanna. This came as a particular blow to Schy, first because it challenged his comfortable assumption that liberal heroes like Cohen, when it came to fraternizing with corporations that had once been under one's official purview, behaved differently from run-of-the-mill Republican commissioners, of whom such things were routinely expected. Worse, it augured ill for the ongoing SEC inquiry into Susquehanna to have its former chairman, who had for years dominated the Commission and its staff, possibly exerting influence in Korholz's behalf.

Schy called Cohen in August, 1969, and Cohen denied any association whatever with Susquehanna. On September 23, 1969, after learning that Schy had been in touch with the SEC on the matter, Cohen wrote to Schy confirming their phone conversation in these words: "Neither I nor my firm represents the Susquehanna Corporation or any of its subsidiaries."

Nothing could be clearer. Yet on July 3, 1969, Cohen had written to the SEC, formally notifying it of his new affiliation with Korholz:

> Pursuant to Rule 6B of the Securities and Exchange Commission's Conduct Regulations. . . I wish to inform you that the firm of Wilmer, Cutler & Pickering, of which I am a partner, has been asked to consult with counsel for Susquehanna Corporation with reference to prospective registration statements for new offerings by subsidiaries of Susquehanna. Although I am not certain whether the firm's representation will involve my appearance before the Commission, I believe that disclosure of this information at this time is in accordance with the spirit of the Commission's rules affecting conduct of former Commission members.

Only the future could reveal the ultimate nature of Cohen's new association with Korholz, but the elements of concealment surrounding its beginning were not auspicious.

On July 20, 1970, the SEC officially determined, after lengthy hearings, that Susquehanna had violated the securities laws by making false and misleading statements in connection with its takeover of PASCO. It made the ruling in the face of the Fifth Circuit Court of Appeals' decision to the contrary. But the penalty attached to the decision was merely that Sus-

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quehanna must amend the tender-offer papers it had filed two years before. All the consequences that flowed from the false statements—the successful stock purchase, the take-over of PASCO, the commandeering of its board and its assets—were to stand. Only a few words were to be changed, in dusty files that no longer meant anything to anyone. The decision confirmed only the impotence of the law.

Adam Smith's Revenge

The reckoning which had not come at the hands of corporate trustee or federal judge or SEC commissioner came in the marketplace. In his head-long pursuit of PASCO's $60 million in cash, Korholz had paid no attention to the shaky condition of its main lines of business—sulphur mining and fertilizer production—which prudent investigation would have shown was suffering world-wide disaster. Six months after Susquehanna borrowed $72 million to buy PASCO stock, the value of that stock was down $30 million. By the spring of 1971, 18 months after that investment, the $72-million value had shrunk to $12 million, a loss of $60 million. This was borrowed money that had been lost, money that had to be paid off. Such losses for Susquehanna, a corporation with an earned surplus of only $13 million at its highest, were calamitous. The bank loan had to be met, if Korholz was ever to merge again. So Susquehanna began stripping off its assets to raise money. Its General Refractories stock had to be sold, at a loss of $5 million. Then Xebec was sold at a multimillion-dollar loss. His corporate flagship, American Gypsum, with which he had won those early victories, was foundering and destined to be sold for salvage.

Susquehanna IOUs were trading at one-third of their face value and its stock had plunged from a high of 80 in 1968 to a low of 5 1/8 in mid-1970.

Korholz resisted this retribution with characteristic ingenuity. As we have seen, he had gained control of Pan American Sulphur Company and its $60 million in cash. He announced a plan to borrow $38 million from PASCO—but its minority stockholders fought the plan and tied it up in a court stalemate. Unrebuked, Korholz used his control of the PASCO board to achieve his ends on the sly (or so SEC investigators would later charge) by forcing PASCO to purchase certificates of deposit from the First National Bank of Boston and three other banks in exchange for loans of $42 million by those banks to Susquehanna. But it was not enough. In 1971, Susquehanna had to declare a loss of $40 million for the previous year, and *Fortune* magazine listed it as the top money loser in its class (the second 500 largest industrials)—and by a mile.

Gobbled by Giants

Korholz's grip on his edifice was slipping. Sniffing his vulnerability and savoring his mounting tax-loss carry-forward, the directorate of Studebaker-Worthington, Inc., graced by ex-Nixon law partner Randolph Guthrie, began to circle around. In the fall of 1971, they bought Susquehanna out from under Korholz, in his own coin—in a Fellini-like evocation of Korholz's past deals that resurrected to view all the faces one would like to forget. By picking up Susquehanna's debts, the Studebaker-Worthington group got right to the old stock warrants issued to State Mutual in consideration for their loans in the era of the Treesdale and American Gypsum mergers. Then the newcomers bought out Sloan and Scurlock (though not without guaranteeing to Sloan that if they paid a higher price to Scurlock they would have to give Sloan the difference, too). After that they bought up, for $25 million, the PASCO shares that Korholz had paid $84 million for. Finally, they paid $7 million to buy up $10-million worth

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of Susquehanna IOUs—convertible debentures that could be redeemed in common stock at 100 per cent of face value. When the stripping process was completed, the Guthrie group had 30 per cent of Susquehanna's stock, more than enough to take control from Korholz—as was demonstrated when they began to place their own men on the board, replaced Korholz's chief of operations, and installed the former Nixon law firm (Mudge, Rose, Guthrie, and Alexander) as general counsel for Susquehanna. Korholz must have appreciated the footwork.

And, then, there was the troublesome Schy. Court defeats of his challenges in the Gypsum and Atlantic Research mergers had not discouraged Schy, nor quite extinguished his faith in the legal process. When the U. S. Supreme Court refused to hear his appeal on the Atlantic Research decision, he pressed on with his appeal of the Marovitz decision on the Gypsum merger. On January 18, 1972, the Seventh Circuit Court of Appeals at last gave him a victory, by reversing Marovitz. It found that, contrary to Marovitz, the Schy group had offered prima facie proof of its main allegations and was entitled to a jury trial on them. Marovitz was upheld only on his dismissal of the claims against four of the 13 defendants: Michels, who had died, and Lannan and two lesser directors, on the grounds that their resignations from the board removed them from legal responsibility for what was done thereafter. As for Korholz, and the other defendants cleared by Marovitz, "the judgment is reversed and the case is remanded for a jury trial."

And so a new and serious hazard faced Korholz as 1972 opened. Moreover, Schy's persistent demands on the SEC for the release of documents relating to Korholz's possibly illegal collaborations with various banks kept that issue before the SEC staff. Whatever the instigation, on March 2, 1972, the SEC ordered hearings on charges by the SEC staff members that Korholz and four of his bankers were involved in securities laws violations in connection with those PASCO certificates of deposit used to promote the loans to Susquehanna with which Korholz sought to stem the great slide of 1970. According to these charges, Korholz had filed reports with the SEC that contained "untrue statements" and omitted material facts; and he had "employed devices, schemes, and artifices to defraud and engaged in acts, practices, and courses of business which would and did operate as a fraud or deceit upon" the stockholders of Susquehanna and PASCO.

But Korholz would have his day in court, and this belated attention by the SEC might yet prove another exercise in wrist-slapping. He is a Survivor. Whatever his reduced position at Susquehanna, he was still the nominal president, with a foothold. And he had other prospects. He was now in silver, a large stockholder of Golconda. He had deals of great promise underway out West with Mike Coen and C. Arnholt Smith.

For instance, the three had been involved in a series of purchases whereby Smith's Westgate-California bought $70-million worth of stock and property from a group that included Korholz and Coen, at a spectacular profit to the latter two. Unfortunately, it was too spectacular and Westgate had to "rescind" $62.4 million of the purchases after its auditor committed lese majesty by filing a report that cast doubt on, rather than praised, these transactions.

But there are deals and deals. Spring, 1972, should bring a revival of the stock market, which means a rebirth of speculative openings for Korholz and his friends. Coen is bidding to take over Ozark Airlines. Smith has been asked, according to the *New York Times*, to bail out the Republican National Convention for San Diego, after the ITT fiasco. Mudge, Rose, Guthrie, and Alexander should prove as useful as Rhyne has been, maybe more. Opportunity is everywhere. □

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MEMO of the Month

EMS UNITED STATES DEPARTMENT OF AGRICULTURE
EXPORT MARKETING SERVICE
WASHINGTON, D. C. 20250

NOTICE
AS-13

January 7, 1972

SUBJECT: Correspondence

TO: All EMS Secretaries, Stenographers and Typiests

ISSUED BY: General Sales Manager

Clifford D. Pulvermacher

The regulations state that between the complimentary close and the title of the sender, you should allow at least five spaces. Some letters and memoranda have been coming through for signature with only four spaces.

In the future any correspondence prepared for my signature should have at least six spaces. This will allow me enough room to sign my name and also have my printed name stamped below my signature.

Also, I have noticed on many of our letters that in correcting typing errors - either the Liquid Ko-Rec-Type or Kleenertype has been used on the originals. While this is acceptable for drafts and other typed matter - it should not be used on an original letter or memorandum that is being sent to Agencies or individuals outside of EMS.

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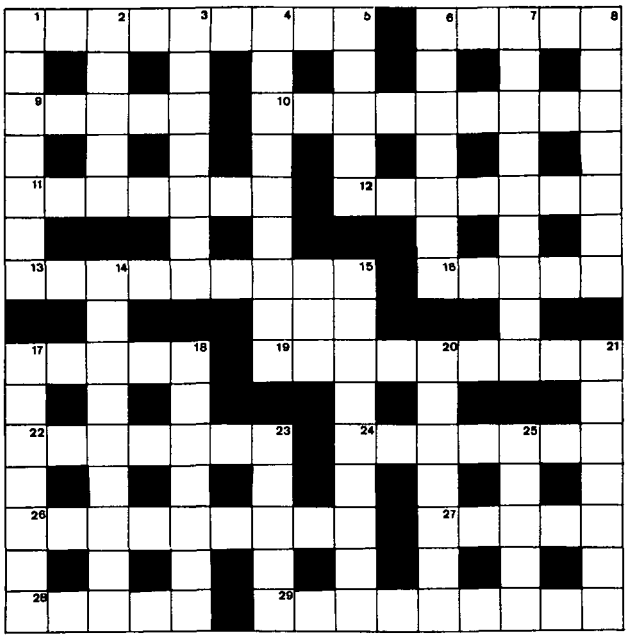
The Political Puzzle

by John Barclay



Across

1. Muskie, McGovern, et al. looking for reward in G. I. Spam can. (9)
6. Pops, you should dry off! (3, 2)
9. Say hello to Dan! (3, 2)
10. Askew, Nunn et al. (9)
11. When he says "amen," 'tis for sure! (5, 2)
12. No truce after close election. (7)
13. He can't vote this year. (9)
16. Gave harsh medicine, put direction in Defense Dept. (5)
17. Fastens well the stack. (5)
19. DOT leader erects a railway. (9)
22. Less happy to come to an end in back room. (7)
24. Contemporaneous Muffet-Tuffet relationship. (4, 2, 1)
26. Despite acne, I date girl for cool drink. (2, 4, 3)
27. Many air races turn on this. (5)
28. Map detail added by the right group? (5)
29. We risk try with expansive ad man. (9)

Down

1. These are more interesting after sin came to the fore. (7)
2. Do you want me to help back the candidate? (5)
3. To do this is a strain, even for a craftsman. (7)
4. Effectively they fetch a green light? (2-7)
5. Critic takes verse apart. (5)
6. Red cups are made to look fresher. (7)
7. Red view put in conjunction with Prussia. (3-6)
8. What one despot assumed. (7)
14. Elusive primary goals gained from riot upset in sins. (9)
15. Something which must be found in any recess. (9)
17. Main pit sound resource. (7)
18. To attack opponent put pin up in chair. (5, 2)
20. AA member. (2-5)
21. "Nearer—why not?" he asks. (7)
23. Advertising these brings tears to candidate's eyes. (5)
25. Feathered towel. (5)

The numbers indicate the number of letters and words, e.g., (2, 3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word. Answers to last month's puzzle are on page 61

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Why Lindsay Failed as Mayor

by Steven R. Weisman

New York Mayor John V. Lindsay, illuminated by floodlights on the steps of City Hall, delivered his first inaugural address on New Year's Day, 1966, in an atmosphere of promise and movement. As he spoke, the city was frozen in paralysis. That morning, millions of people were stranded as 33,000 transit workers walked off their jobs, bringing subways and buses to a halt. Lindsay's speech was a call to greatness and renewed respect for government, but the transit union president, Michael J. Quill, was not inclined to heed the plea. In one of the first official assessments of the new mayor, Quill described Lindsay as "a juvenile, a lightweight, and a pipsqueak."

Today, more than six years later, Lindsay's rhetoric is still stirring, but the sense of a city paralyzed remains. The mayor has never been able to stop the city's downward spiral. Services have continued to decline, division has deepened among races and economic classes, and there have been unending crises. Crippling strikes shut down the schools and allowed tons of garbage to rot uncollected in the streets. Outlays for welfare and antipoverty programs increased, but the problems they sought to attack mounted even faster. New taxes were imposed one after another—a bank tax, an income tax, a commuter tax, a stock transfer tax, higher real-estate taxes—but the quality of life in New York City has never seemed more bleak, its government never more sluggish, wasteful, and finally even helpless.

While his rivals boast about what they've done, Lindsay may be the only politician in America to get anywhere by viewing his own record with alarm. Certainly, he's proud of many things, but not even Lindsay claims to have led New York City out of the darkness. No, he is running for President, he says, because he has been "in the trenches," while other aspirants have been pontificating in the safety of the Senate. The prob-

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lems of being mayor are overwhelming, his campaign people conclude. Washington, not New York, they say, is where Lindsay's leadership can make a difference to the city, and to other cities and suburbs, too.

A Bronx Camelot

In his own view, Lindsay's candidacy offers a shift from eight years of cynical manipulation in the White House, just as John Kennedy offered an antidote to eight years of sterile leadership under President Eisenhower. Last December, David S. Broder wrote in *The Washington Monthly* that a major source of President Johnson's failure was that his consensus politics amounted to little more than the "lowest common denominator" of what different factions could accept. For those who, like Broder, lament that American politics has been deadened by its obsession with consensus, the candidacy of John Lindsay may seem like a breath of fresh air. The mayor of New York is the first national politician since the Kennedys to be at least partially credible in projecting the image of political hero. He's credible because his heroism stems from a crisis—"the urban crisis." And yet he appeals to those outside of the urban problem because of his Kennedyesque combination of idealism, tough pragmatism, and commitment to modern government with scientific techniques to help run it. These have been the principles of six Lindsay administration years in New York, where Lindsay's entry into office was an explicit challenge to the broken politics that preceded him.

Why, with all of Lindsay's appealing heroism, does New York's government today seem more sluggish than it ever has? Living up to their reputation for generosity, New Yorkers blame everything on the mayor. Nothing could be more unfair. On the other hand, to the degree that Lindsay and his special brand of leadership could have made a difference, it has all too often failed to do so. Only after trying to see why, can one begin to decide whether Lindsay deserves to be chief strategist in the White House.

John Lindsay worked his way up through the stodgiest and most accepted Republican ranks—Yale, a Wall Street law firm, the Young Republicans, the 1952 Eisenhower campaign, and Eisenhower's Justice Department. He always had something that people in the GOP weren't supposed to have —glamor and good looks—so he was mentioned as a presidential candidate even when he was a congressman from Manhattan. Lindsay's unique congressional constituency—with its glittering skyscrapers, corporate energy, and bustling affluence—encouraged independence, not party loyalty. Unlike almost every other congressman in America, he never had to worry about getting defense contracts or federal bonuses to fuel the economy back home; nor as a liberal Republican, a minority member of a minority party, was he ever expected to produce legislation. He built his reputation on lofty public statements, and so Lindsay came of age in a political dream world, where government was something one talked about in pure, abstract terms.

In 1965, Lindsay's campaign slogan was: "He is fresh and all the others are tired." No one believed those words more than Lindsay himself. In a city nearly 75 per cent Democratic, he was the first non-Democrat elected mayor since Fiorello LaGuardia in 1934. He entered office a dashing patrician and cultivated political figure, but his image was not the only fresh contribution. More important was his notion of the mayor's job and how he wanted to change it.

Political Bunions

Lindsay's predecessor, Robert F. Wagner, Jr., had operated in the traditional manner of big-city Democratic mayors, like Richard Daley in Chicago, in his use of patronage, persuasion, and general finesse to keep

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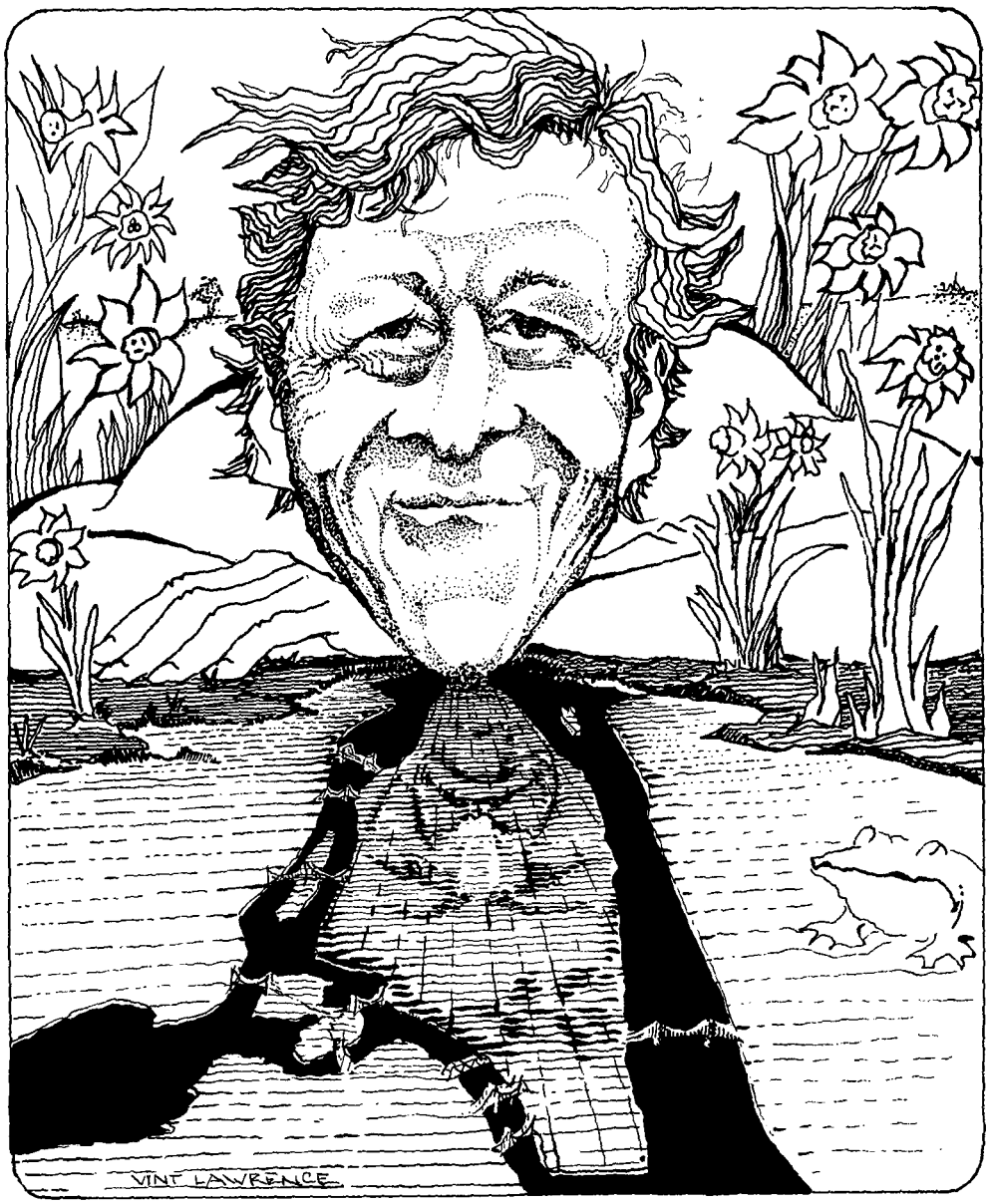

things running smoothly. Wagner and his huge bureaucracy functioned on the same wavelength. Like most city workers, Wagner was a Democrat. He had been close to party politics since childhood, when his father, a U. S. Senator, was a leading advocate of labor causes. Mayor Wagner had gone to Yale, like Lindsay, but he grew up in city government and entered City Hall with an almost intuitive sense of the terrain—a sense that Lindsay has only recently begun to develop. If a garbage man in Brooklyn had bunions, they used to say, Bob Wagner's feet hurt.

No one, not even Lindsay, denied that Wagner had been a deft administrator. By 1966, however, riots and revolt besieging American cities seemed to undermine all the old ways of doing things. Lindsay, for one, concluded that city government had grown tired and clubby with Wagner's "power brokers," that it had lost its capacity to handle what everyone was

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now calling "the urban crisis," and that it was not equal, especially, to the bold new tasks he had in mind.

In these perceptions, Lindsay was in the political tradition of the Progressive movement of the turn of the century. Like the Progressives, the Mayor felt that modern government needed to replace the discord of clashing special interests with a new harmony of shared purpose. Lindsay's hero is not Franklin, but Theodore Roosevelt, the activist President with a vision of a new nationalism who saw the presidency as a "bully pulpit."

Three instruments were to characterize Lindsay's new approach to public office: first, a strong sense of himself as the moral leader; second, a reliance on a McNamara-style "scientific" management, the one method of administration that, in his view, would provide the incontrovertible facts for people of all persuasions to reach the same conclusions; and third, an increased projection of his own presence, to heighten everyone's awareness of his government in the hope that people could feel they were part of the process. Lindsay's tenure was to test these approaches, each reasonable in the abstract, but each one containing the seeds of his failures.

I am the Mayor!
—John V. Lindsay, 1966

Lindsay's congressional career had taught him little of the need for subtle bureaucratic maneuvering, for understanding an opponent's self-interest, or for the great patience required in a sprawling government. What also became clear in his earliest days was Lindsay's magisterial conception of his own office, a sense that his authority and superior perspective permitted him to monopolize the political process, and that because he was the mayor, everyone else had to defer to his point of view.

Nothing more dramatically illustrates his difficulties in this regard than Lindsay's clumsy dealings with labor. Though the Mayor has improved recently, few labor leaders, including Lindsay's allies, feel completely comfortable dealing with him even today.

His first tangle with a city union—in New York's 12-day transit strike—set a pattern that held for years. The huge settlement had national impact.

Though Lindsay emerged from the transit crisis with an enhanced reputation as a combatant for clean government, it is clear in retrospect that the strike hinged more on his imperious attitude than on any issues as he defined them.

For years, Mike Quill, president of the Transport Workers Union, had made something of a tradition of his pre-New Year's Eve strike threats. But his 11th-hour settlements, looking like hard-won union triumphs, were really triumphs of public relations. "Quill always inflated his demands," says one man close to the negotiations. "He needed the strike threat to force a compromise on his union. Actually, his settlements were never that generous."

Lindsay saw Quill's tactics differently. He refused to play the game of negotiations because it clashed with his ideas about his office. "I am the Mayor," he once snapped to a raucous group of reporters who surrounded his limousine, "and you have an obligation to treat me with respect."

With his view that bargaining was a concession to the "power brokers"—"They know who they are," he said—Lindsay could not politically afford a settlement that even looked like a backroom deal. Not until the strike reached catastrophic proportions did he finally negotiate seriously with the unions. Experts agree that the final settlement cost the city twice what Quill would have agreed to at the outset.

In 1967, Lindsay once again refused to recognize the politics of union leadership. The man who had urged a bombing halt in North Vietnam on the basis that the bombing only stiffened Hanoi's will to resist, wanted to call out the National Guard

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to break a strike by garbage men. Governor Nelson Rockefeller refused Lindsay's request, and an agreement was finally reached. Once again, the Mayor emerged with a political victory masking a costly settlement.

The magic of the Mayor's popular triumphs over unions dissipated the next year in a strike by the city's 60,000 teachers—the worst crisis New York has faced under Lindsay because it fanned racial tension into open violence and created an ugly atmosphere of discord that has not completely receded today.

The teachers' strike was not about wages, but the organization of the school system. The origins are found in the growing demand for "community control" of schools and the liberal response of Lindsay, who, with the help of his friend, McGeorge Bundy, and the Ford Foundation, created three experimental community school districts in disadvantaged areas of the city. The root cause of the crisis was that the relation of these districts to the larger school structure was unresolved. It was also a mistaken upper-class bias, which Lindsay acknowledges today, to select no middle-class neighborhoods for the experiment. From the beginning, no one had bothered to define the powers of the local boards, and Lindsay and Bundy misjudged the stakes that certain other parties had in the situation, particularly the city's powerful, largely Jewish teachers' union.

The strike began in the spring of 1968, when the school board in the black Brooklyn slum of Ocean Hill-Brownsville abruptly dismissed 10 white teachers in their district. A hundred local teachers walked out in sympathy, and they, too, were fired. The following summer, Lindsay misjudged the teachers' willingness to fight for their jobs, and he did nothing to resolve the dispute. In September it was too late, and teachers all across the city refused to work. By this time, the ante had been raised and the Mayor was reluctant to intervene because he feared race riots in Brooklyn if the blacks were defeated. Instead of seeing that the teachers had legitimate grievances in a complex situation, the Mayor forfeited his own role as mediator by denouncing them as lawless, unscrupulous enemies of New York City. His high-handedness was a disruptive factor that prolonged the strike. In the end, the teachers won, returning to work on their own terms.

One of the great myths about city government is that the "old pros," the organization party regulars and the patronage seekers, were skillful, adept managers of city affairs.

—John V. Lindsay, in *The City*, 1970

Because of his mandate, his campaign and his commitment, and perhaps because he fervently believed his campaign rhetoric, Lindsay wanted to be a great mayor, and that meant bringing government into what he saw as the modern era. Lindsay clearly believed in "scientific management"—the notion that, as Walter Lippman wrote in 1914, "as the modern world can be civilized only by the effort of innumerable people, we have a right to call science the discipline of democracy."

Facing his bureaucracy for the first time, Lindsay quickly found reinforcement for his skepticism. That first summer, he learned that City Hall had no permanent lines of communication to New York's tension-filled ghettos, though scores of agencies dealt with the ghettos every day. He was horrified to find that he had no early-warning system to detect potential crises. There was also no formal way for Lindsay to keep tabs on his giant government to see exactly what it was accomplishing. He learned that the work of many departments overlapped, so that one agency might be planning apartments for land already slated for a new road, simply because there was no official information center. There were no statistics on welfare, leaving officials to guess, for instance, how many recipients were actually employable. There was no

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precise city-wide picture of the garbage problem—no one could clearly demonstrate why some streets were dirtier than others. And if the Mayor wanted to learn the current status of a school, a library, or a police precinct nearing construction, his aides had to call public works, or the budget bureau, or the purchase department or the legal department, and ask if they had the papers. "There were no manuals!" a Lindsay aide said recently. "There were no manuals on how things worked!"

Confronting these problems, Lindsay made two deductions: his difficulty in establishing what was going on persuaded him that nothing, indeed, was going on; and his inability to see decisions being made led him to think no one was making them. A pragmatic reason for Lindsay's turning to "management science," then, was simply to get information on his desk. He also thought he could use the new management techniques to run the city by circumventing the bureaucracy he distrusted.

PPBS On Broadway

The best way to see management science is through one of the Mayor's most important appointments—his first budget director, Frederick O'R. Hayes, a nervous, intense professional with a clipped mastery of facts who became the Robert McNamara of the Lindsay administration. In fact, Hayes came from Washington and the war on poverty, where he had implemented "systems analysis" techniques first introduced by McNamara in the Pentagon. In New York, he recruited dozens of young generalists to examine and quantify problems in depth, turning the production of each year's budget into a year-round analytic process, known as Program Planning Budget System, or PPBS. He also convinced Lindsay to increase the use of such private outside consultants as the RAND Corporation, the California think-tank that helped McNamara design weapons systems.

In 1968, Lindsay and Hayes established a new city unit, the Project Management Staff, a trouble-shooting group of 40 roving analysts who took on dozens of specific projects to push through the city red tape. For each project, the staff produced a giant organization chart depicting New York's bureaucratic obstacle course: it took 71 steps through 10 different agencies just to order a desk or a garbage truck for the Model Cities program. Then the staff worked at eliminating some of the steps. One assistant recalls: "If you were building a new police station, you'd go to the engineers in Public Works and say, 'Why do you wait for the architects to finish before you start?' They'd say, 'Well, we have to wait for the plans.' So we'd say, 'Why don't we get a duplicate set of plans?' No one had ever thought of that before."

The Project Management Staff was successful in key areas: it helped cut 100 weeks from construction schedules for police, fire, and library projects and slashed dozens of weeks from the time it had taken to plan sewers and parks. It produced important Lindsay innovations—a massive test of children for lead-paint poisoning, a new bureau to handle parking violations, and a program that puts addicts on methadone. It used computers to analyze data from all agencies—a computer was even fed data from the city's 503 tennis courts to set fees adjusted to each court's use. And it helped the city's uniformed services—police, fire, and sanitation—to reshuffle manpower and equipment to increase productivity.

Grasping the Obvious

Yet management science proved to be far from perfect. For one thing, the Mayor's staff saw an illusion of progress just because they were receiving their reports and organization charts. Though many reports were helpful, others told little that wasn't already known. The major conclusion of one 75-page consultants' report on traffic

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patterns in the Bronx, the city's northern borough, for example, was that traffic tends to flow into Manhattan in the morning and out at night. Another reported that the peak hours of the Staten Island Ferry are the morning and evening rush hours. "A consultant," grumbled one commissioner, "is someone who borrows your watch to tell you what time it is."

A second problem with the new approach was that the experts never told how all their proposals were to be carried out. Lindsay tended to believe that once he and his advisers decided on a new way of doing things he could just give the order and it would be done. That tactic worked no better within his own government than it did with the labor unions. Any bureaucracy is a tangle of loyalties to bosses, unions, subordinates, political parties, and individual careers—not just to the man on top. And since Lindsay all along insisted on circumventing the bureaucracy with his new breed of experts, it is not surprising that the city's regular employees—the ones ultimately responsible for carrying out the orders—would respond with less than complete loyalty to their mayor. Lindsay stumbled worst over this problem with his sanitation department, where Budget Bureau analysts measured garbage on the curbs and pored over figures on production and manpower before they proposed changes of garbage truck routes and the use of much bigger trucks. "We had it all figured out," says a former Budget man. "The figures showed the streets would be 85 per cent cleaner in six months. Six months passed and there we were, looking at the same filthy streets. Nothing changed except the statistics."

The problem stemmed in part from flaws in the original analysis, but mostly from a crucial oversight of the fact that the men would still do the same amount of work each day unless motivated to do more. Today the Mayor has begun to learn the lesson, and he carefully cultivates the depart-

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ment, attending regular meetings with foremen, deputies, and district coordinators.

A Good City—On Paper

The chief inadequacy of management science, however, lies in its assumption that every consequence and detail of each proposal can be measured. That assumption created a political vacuum for decision-making where human nature played no part. Robert McNamara faced the same problem in the Pentagon when his experts designed a swing-wing bomber or strategy for the war that was very logical—on paper.

Lindsay's improvements looked good on paper, too. It was sound logic to coordinate the assortment of 50 departments into a dozen "superagencies," but once it was done, few things changed and some even got worse. The heads of lower departments retained their titles of "commissioner," and the Mayor didn't help when he frequently overruled a superadministrator in favor of his subordinate. The Housing and Development Administration, the city's first superagency, became so unwieldy that mismanagement festered in a program of city loans for slum rehabilitation and then broke into a scandal, mostly because it escaped the attention of the otherwise preoccupied housing chief.

The same kind of blundering surfaced in other agencies. One report by systems analysts in the police department suggested a reduction of the city's 77 police precincts as an efficiency move to free more patrolmen for street duty. When Lindsay announced the phaseout in one neighborhood, residents there protested and forced him to back down. His retreat was not a sacrifice of a good idea to narrow political considerations. He retreated because his experts' solution had overlooked an important fact: fear of crime has been as harmful to New York as crime itself, and attention must be paid to both.

A final, rather tragic illustration is found in the city's recent move to cut costs at its welfare centers by eliminating the caseworker, who now sees the welfare recipient for special problems only. The caseworker system was loaded with difficulties, but the new one only worsens them because it leaves no one person responsible for a single recipient's problems. Cases that need attention have a greater chance today of getting lost in the bureaucracy. "You see the paper piling higher and higher on people's desks," says one caseworker. "It's worse than it ever was, but the experts will never know why."

If I were writing a book, it would be about the importance of a politician's image.

—former Deputy Mayor
Richard A. Aurelio

Fiorello LaGuardia, another progressive Lindsay hero, had a chatty radio show and once, during a newspaper strike, read the Sunday funnies to the city's children. Lindsay has a weekly television show, where his guests range from the mayor of Yonkers to the mayor of Jerusalem, with a lot of show-biz folks in-between. Lindsay entered office promising to "trim the fat" from the city's public relations budget. Since then, he's tripled it.

With all his emphasis on scientific management, Lindsay has nonetheless realized that much of his effectiveness depends on old-fashioned image-making. The trouble is that he has not always pulled it off too well and has suffered a damaging loss of credibility as a result, particularly among members of New York's middle class.

The Mayor's manipulation of his image reached its height during the 1969 reelection campaign when he placed hundreds of policemen and sanitation men on overtime at great cost and then pointed proudly to reduced crime and cleaner streets. Within weeks after the election, the men were pulled back, their overtime cancelled. In another instance, Lindsay failed to take action with regard

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to the growing number of welfare families placed in rundown, sleazy hotels until one family was placed in the Waldorf-Astoria, resulting in unfavorable national publicity.

These are the instincts, probably, of any professional politician. But the Mayor also went beyond the conventional use of image-making to project himself to two distinct income and social groups in the city—the upper and lower classes—with the result that those in the broad middle felt neglected by his government and alienated from him personally.

Much of the Mayor's appeal to these two groups resulted from acts of real substance on the part of the Lindsay administration. Though the city's poor blacks and Puerto Ricans are in the same desperate condition they've always been in, Lindsay's efforts for them have been significant. He has consulted them for urban renewal and instituted "open enrollment" in the City University. Most important, he has been the active beneficiary of the Great Society's panoply of programs for summer recreation, job training, housing, health care, and extra city services for those trapped in the slums. But for all the real efforts, Lindsay's more decisive accomplishment has been intangible: he has demonstrated his commitment by walking the city's squalid streets and talking to community leaders—surely more effective than any programs in keeping the ghettos cool.

By the same token, wealthier New Yorkers, particularly the young and those living in Manhattan, have appreciated Lindsay's real "good government" style achievements—the improvement of architectural design for public projects; the use of zoning incentives for imaginative land development; the creation of special districts, like the one that preserves the theaters in Times Square; and even new pollution codes, which have reduced the air's sulfur dioxide content. But here again, the Mayor's public relations moves have been at least as important, for the upper class has loved most all his street closings, his droll "happenings" in the city parks, and his patronage of the arts. All of this proved to beleaguered New Yorkers that at least their city has class.

Talking Down the Middle

For the middle class, however, a great variety of ingredients, real and imagined, kept things simmering. Nothing illustrates the basis of their hostility better than Lindsay's dealings with the police. First the voters repealed the Mayor's Civilian Review Board. Then his moves to restrain the police gave rise to charges that he was "handcuffing" them and harassing them with his own aides. The police union, miffed at Lindsay for his intervention and anxious to set him up as a convenient target, fought his basic manpower changes: they blocked one-man patrol cars; they limited the use of scooter patrols; finally, by threatening a strike, they prevented him from assigning men to a new shift at peak crime hours except on a voluntary basis. Probably the worst and most insensitive move Lindsay made was to place an abrasive, pushy, 26-year-old aide, just out of Harvard Law School, as City Hall's liaison with the police department, one of New York's subtlest and most complex bureaucracies. Eventually, Lindsay aroused such antagonism in the department that he had to close his eyes to mounting corruption for fear of tipping things over the edge and spurring a full-scale department revolt. Today, of course, Lindsay gets the blame for cops on the take.

In his early years, Lindsay tended to talk down to the middle class, almost as if he saw them as the enemy—as late as 1969, he was denouncing his opponents as racists and bigots. Though he won with middle-class support in 1965, by 1969 they had turned against him. Lindsay won reelection with 42 per cent of the vote through an unusual coalition of poor blacks and Puerto Ricans, and the

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city's upper-income groups, particularly Jewish. The ethnic whites—the cabbies, the hard-hats, and clerks, New York's own tax-paying "silent majority"—voted for Lindsay's two undistinguished opponents.

More critically, middle-class alienation spread to those thousands of civil servants on whom Lindsay depended without really knowing it. The resentment mounted as Lindsay surrounded himself with outsiders who knew little of the way New York ran before they got there and who were oblivious to the established, entrenched bureaucracy. (The attitude has not faded away—Lindsay's new deputy mayor, Edward K. Hamilton, is a management expert who never lived in the city before 1970, when he came from Washington to be budget director. In an interview, he said: "How the hell this city ran before 1965 is just not that clear to me.")

Disloyalty among his own civil servants finally hindered Lindsay's ability to run New York. In 1969, the Mayor announced that despite the "tightest budget to date," he would have to cut summer job programs, school lunches, and services in hospitals, libraries, and museums. A few days later, after a meeting with the city's comptroller, $79.7 million was suddenly "found" to stave off the cuts. Newspapers wrote of Lindsay's "fiscal magic" and other politicians lambasted him for fomenting an "artificial crisis" with "scare tactics." "The truth is even worse," says one Lindsay aide today. "We didn't even realize ourselves that the money was there. . . Jesus, what an embarrassment!" The way Lindsay's staff sees it now, the money was hidden from him by his own bureaucrats.

Shoveling Out

But there was a more important event for Lindsay's career in 1969—a 15-inch snowstorm in February that served as a catalyst for all his woes, creating the chemistry for one of his most serious political blowups. The storm, the worst in eight years, arrived with unforeseen strength and shut the city down. Thousands were stranded at airports, on bridges, and on highways. And in Queens, the city's middle-class suburban borough, mounds of snow clogged the streets, even the main ones. Days went by and still the streets were impassable. Then the Mayor ventured out to tour the area. The vilification he met as residents gathered by the snowdrifts to boo, jeer, and call him names was something Lindsay never expected and had never before encountered. The storm had caused something in New York to snap. Years of pent-up middle-class frustrations over welfare, taxes, crime, and neglect poured out.

The rest of America may find it amusing that Lindsay was blamed for a snowstorm, but the blame for the way the city handled it was legitimate. The storm had caused two things to collapse: not just the middle class's hold on itself, but the whole management-science superstructure that was supposed to run the city so effectively. Like a Vietnam war strategist in Washington, Lindsay had erected an intelligence-gathering system that neglected people and failed, in the end, to work until it was too late. Communication with the lower-level bureaucrats had broken down. "I sat there in Lindsay's office the day after the storm," says former Budget Director Hayes. "I remember when he got those reports—they told him the snow was being cleared."

To his credit, Lindsay has improved in a few respects. He has substantially toned down his moral obtrusiveness—his defense of a low-income housing project in the white middle-class neighborhood of Forest Hills has been firm but not supercilious. Especially in labor relations, Lindsay has learned to negotiate and has won important productivity clauses in some new contracts. But it is also true that he gets along with unions in part because of past generosity. The labor leaders he considers his allies acknowledge that they must

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denounce him in public to have any credibility among their memberships. In other respects, Lindsay has become a more sophisticated user of management science, with an understanding that, as Deputy Mayor Hamilton puts it, "there are a lot of slips between the cup and the lip, even when you've designed the cup."

To run his government and advance himself politically, Lindsay now makes more deals with the machine Democrats (sometimes leaning to them, rather than the reformers, for patronage) and has set up dozens of neighborhood "task forces" to insure that local complaints are heard quickly. He has even established his own political associations to dispense patronage and favors in return for campaign funds. But Lindsay is obviously squeamish about employing such old-fashioned tactics. When opponents demanded that the John V. Lindsay Associations be registered as political clubs, his office insisted disingenuously that they were apolitical "civic improvement" groups. (Eventually he had them register.)

Despite his improvements, Lindsay is still very much instinctively the man he always was. And the obstacles he stumbled over are not found exclusively in the job of mayor. They also apply to the presidency and illuminate something about the nature of all political authority, including the various types of national leadership being offered this year by the other presidential candidates.

Among other things, Lindsay's problems show that, for Americans weary of a government overly attentive to selfish interest groups, a switch to government that ignores those interest groups can be a bold new shift to disaster—the hazards therein would not seem to be mitigated by "scientifically" correct solutions purveyed by sophisticated, throbbing public relations machinery. Today, Lindsay may have acquired, as his advocates insist, just the right sensitivity to both the need for change and the needs of those who oppose change. He may

we bring them all together

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have, but it's unlikely.

What distinguishes his last two or three years as mayor is that Lindsay has made almost no new initiatives, nothing that might risk touching off the ire of the city's truculent populace or its stubborn bureaucracy. He barely speaks out at home on the issues that he used to deal with dramatically and head-on, such as education. More than modifying his concept of leadership to correct the failures of his mayoralty, Lindsay has deferred further action, waiting to apply the techniques that failed in New York to the larger office of the presidency.

In the midst of this backsliding at home, Lindsay's presidential campaign is indulging in the Kennedy-like rhetoric of yesteryear, promising a new kind of presidency, and suggesting by implication that the opportunities for major domestic changes will be easier for him to seize in Washington. The evidence ought to suggest the contrary, but it hasn't—not to Lindsay, nor, indeed, to any of the Democratic aspirants who are calling for sizeable changes in the American economy and social structure. With a sprawling federal bureaucracy, a stubborn faction-ridden Congress, and a multitude of powerful special interests across the country, things will be even harder.

Given such a gloomy prospect, there would seem to be little support for Lindsay's claim that his job "in the trenches" has made him more qualified to be President. But that judgment would be less than fair, too. Perhaps the presidency might be more suited to his role as a moral leader than the mayoralty—it could hardly be less suited—especially if that's what Americans want this year. Also, the President's ability to embody moral authority isn't hampered, as it is in New York, by a broad responsibility to deliver services. Instead, a President establishes policy, much of it carried out by others.

One other role played by the President is worth considering—that of *de facto* legislator. In this role, Lindsay has excelled, despite many frustrations. He has pushed through the Republican-dominated state legislature important new taxes, including one for commuters, and bills creating such new agencies as the city's Off-Track Betting Corporation, its Housing Development Corporation, and its Health and Hospitals Corporation. He also secured a pioneering state revenue-sharing program by lobbying with other mayors from his state. He has applied this technique at the federal level by using the National League of Cities to lobby for more urban funds from the federal government. In his own city council, he has made stiffer laws for regulatory agencies, particularly in environment and consumer protection.

But in the final analysis, Lindsay's own personality, illustrated by his sweeping but unrealistic conception of the office he now holds, is aloof and mechanical, not to say occasionally hermetic. It has prevented him in the end from dealing effectively with adversary and ally alike, even within his own bureaucracy. No President can succeed without an ability to deal with people, no matter how promising his stance. In light of George Reedy's comments that the occupational hazard in the White House is that a President is easily blinded to the role others play in the political process, Lindsay's own failures sound an ominous note to his candidacy of President.

There are those who say that the past is past, that one must look freshly at who Lindsay is today, and at the grinding stresses of a presidential campaign that ought to let any aspirant's natural characteristics come to the surface. America in 1972 is not New York in 1966, to be sure, but it can be seen today that Lindsay is trying to corral more voters—people from the small towns and suburbs—into his scheme of things by uniting everyone against the "power centers" in Washington. And no one who remembers the "power brokers" of a few years ago can take too much comfort in that approach.□

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The ıerican and Response

a review by Taylor Branch

Two fathers of the Vietnam War published their memoirs in March.* General Edward Lansdale's *In the Midst of Wars* and General Maxwell Taylor's *Swords and Plowshares* record the statements of defense for men who symbolize the two doctrines that combined to produce American counter-guerrilla strategy in Southeast Asia. More importantly, Lansdale and Taylor represent two distinct schools of war supporters—those who saw Vietnam as a crusade and those who saw it as a burden.

Lansdale is America's first expert in counter-guerrilla warfare—the legendary figure who achieved fame in the fifties by teaching our cold warriors that the only way to defeat Asian revolutionaries, the guerrilla fish in a sea of popular support, was to learn how to paddle around a little ourselves. Mixing modern "psywar" (psychological warfare) techniques with James Bond derring-do and the kind of cultural savvy that later was coveted by exponents of foreign wars and foreign aid alike, Lansdale managed to position himself for exploits and lever-pulling in palaces and rice paddies, Asia's smoke-filled rooms.

Lansdale's knowledge of the players and the bystanders—the French, the Americans, the local warlords who were beset with kaleidoscopic personal intrigue—helped him contour Diem's strategy to fit both international politics and contending Vietnamese jealousies. Lansdale became mysterious and controversial—two novels, *The Quiet American* and *The Ugly American*, are modeled on his doings. He helped move American military strategy from the conventional concerns of how you position your armored divisions, tanks, artillery, and nuclear weapons, to more political questions like where you put your psywar leaflets, why you need pacification teams, and how to win the hearts and minds of the people. As a counter-guerrilla man long before the fashion, Lansdale contributed about half the ideas that led to Vietnam.

General Taylor symbolizes another idea, flexible response, which, floating on a common sea of anticommunism with Lansdale's doctrines, helped direct troop ships across the Pacific. At the apparent end of a long, successful military career that began at West Point under Superintendent Douglas MacArthur, Taylor found himself a very dissatisfied Army Chief of Staff from 1955 until 1959. He dissented from the Eisenhower-Dulles strategy of massive retaliation (which essentially promised to nuke the communists if they made a move anywhere) because he considered it unlikely that the Russians would believe our threat to blow up the world if they seized the post office in Nairobi. Of course, Taylor also had bureaucratic reasons to oppose the Eisenhower nuclear strategy: the Air Force was getting missiles, the Navy was in line for nuclear subs, while the Army was getting little but budget cuts. His development of the flexible response posture paralleled a series of frustrated battles for more Army funds, which Taylor implies were lost because conservatives like Treasury

**In the Midst of Wars.* Edward Geary Lansdale. Harper & Row, $12.50. *Swords and Plowshares.* Maxwell D. Taylor. Norton, $10.

Taylor Branch is an editor of The Washington Monthly.

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Secretary George Humphrey wanted a balanced budget so badly that they persuaded Ike to stick with a bargain-basement nuclear strategy.

Taylor retired from the Army in 1959 to write *The Uncertain Trumpet* and thereby take his case for flexible response to the public, where it was well-received because most people were chilled by so much talk about the bomb during the Eisenhower Administration. A powerful fear that nuclear vertigo might draw our leaders toward the button was activated, especially among liberals, and its nerve endings remained exposed until after the Goldwater-Johnson race in 1964.

When President Kennedy and his dandies came to Washington in 1961, they regarded Maxwell Taylor as a cultural and strategic ally. Already alarmed at Khrushchev's speech proclaiming an open season for wars of national liberation, the President persuaded the general to become his military counselor (when Taylor turned down the top post at the CIA) to help the Administration enshrine flexible response as official dogma and to apply this wisdom in trouble spots like Southeast Asia. Lansdale was already in Washington, working on Vietnam, and the Pentagon Papers record that by July, 1961, Lansdale presented Taylor with a long, classified report "in response to your desire for early information on unconventional warfare resources in Southeast Asia." The two vials were being poured together, and the Kennedy Administration bought both flexible response and counter-guerrilla warfare in a logically compatible package, symbolized by the Green Berets.

Against the background of the Eisenhower years, the thoughts of the two generals appear quite harmonious, rising to the top of the new administration, but the memoirs show that their personalities were sharply different. While Taylor is a reserved pragmatist, Lansdale is a true believer, a gung-ho cold-war missionary, a man of action, whose writing calls for frequent crescendos of the national anthem in the background. "You should know one thing from the beginning," he writes. "I took my American beliefs with me into these Asian struggles, as Tom Paine would have done. Ben Franklin once said, 'Where liberty dwells, there is my country.' Tom Paine had replied, 'Where liberty dwells not, there is my country.' Paine's words form a cherished part of my credo." Lansdale sought out tyranny in the world and set up his covert psywar operations where he detected it. In the early years, he was annoyed not only by the resistance to guerrilla techniques among his military colleagues, but also by their moral listlessness, their willingness to make deals and to coast along without a burning purpose.

In judging Lansdale, it is important to recall that his bright zeal was as much admired against the gray background of the fifties as was Taylor's alternative to the bomb. Containment was seen as negative and withdrawn, whereas Lansdale was an internationalist who tried to show the world that we really had something to believe in. He anticipated the Kennedy-Schlesinger commitment to nurture the "vital center" of democracy abroad, to help in "nation-building" around the world, to show the communists something vibrant and alive and attractive instead of just the other side of the Iron Curtain. Edward Lansdale was a soldier in the spirit of the Peace Corps, and the sponsors of foreign aid and the Peace Corps led the nation in breaking out of its shell and learning to listen to other cultures. "You have to understand other people to help," was the applauded message of these frontier programs, and Lansdale's military version, much like Mao's, was that you have to know the people to win them politically. The *right* way to thwart communism, we all felt, was to get some blood running through freedom's veins—to use our resources with idealism and sensitivity so that other nations would see why they did not want to become like Czechoslo-

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vakia. Their free choice, not our nukes, would tell the tale.

These feelings seem impossibly naive now, amid the agnosticism that Vietnam has spawned, but the atmosphere of Lansdale and the Alliance for Progress and the Peace Corps must be remembered as one of release and good will. Lansdale was probably more in the spirit of the times than Taylor: you could believe in flexible response, but you couldn't get excited about it or dream of the romantic accomplishments it might bring. You could dream with Lansdale, who, like a Che Guevara with the ballot box, set out to fight the good fight against Mayor Daleys and Stalins and tyrants of any political stripe.

Most of us carried Lansdale's ideals with us into the 1960s, and it is worth tracing, through his counterrevolutionary travels, how those ideals got transported, and translated, into the Philippines, and eventually into Vietnam.

Vampires and Jaycees

Lansdale, a former advertising man who looks like Chet Huntley from the nose up and Walter Cronkite from the mustache down, stayed on in Air Force intelligence after World War II because of the "strong appeal for me in the U. S. military's part in the creation of democratic institutions in postwar Japan and Germany." Apparently, the notion that the United States could in fact be charitable and idealistic while building a Madisonian government from a new client country's rubble persisted strongly in him. Setting out for the Philippines in September, 1950, Lansdale gives the impression that he is a maverick officer on an unorthodox assignment, armed only with his chutzpah and his briefcase. (This dramatic loneliness is carried throughout the book, although the Pentagon Papers identify Lansdale as a CIA man. The CIA is mentioned only three times in the book, in no case as Lansdale's employer or base of resources.)

He finds Magsaysay, the new defense minister, in the process of chasing a man around his office, getting in blows when he could. Lansdale approvingly quotes Magsaysay as exclaiming, "The sonnamabeech tried to bribe me!" Magsaysay is thus established as a man of character, who turns down bribes and subsequently shares with Lansdale a concern for the abridged rights of individuals during relocation programs and suspensions of habeus corpus. They form an alliance to get the nasty business of cleaning up the powerful Huks over with as soon as possible.

With great personal energy, Magsaysay began to turn the tide against the Huks with a tightening of army discipline, a little land reform, and some widely publicized leadership. There was also some psywar. Lansdale disguised some army units as Huks, who in turn disguised some of their units in regular army uniforms. This complicated ambushes, but the government forces came out on top in the contest of wits and arms. In 1953,

Who is kidding whom?

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Magsaysay won the presidential contest as a reform Huk-defeater. Mission accomplished, Lansdale soon received a radio message to "proceed without delay by first available transportation" to Saigon, where his new reputation would be tested.

Vietnam provided more of the same, as Lansdale arrived about the time of the Geneva Accords and the beginning of Ngo Dinh Diem's presidency. Following the Philippine pattern, Lansdale formed an alliance with a strong leader—in this case President Diem—and helped him consolidate his power in the face of the challenge of local warlords, who were backed up by the French. Lansdale was ardently anti-French, infuriated by the collaboration he detected between them and the selfish opponents of Diem, democracy's best hope. He told the French that they were unpopular scoundrels in Vietnam. "When the French start treating the Vietnamese as free and equal brothers," he said, "the wounds will heal."

Diem's survival in 1955 assured him of strong U. S. official support, which had previously been in doubt despite Lansdale's pleadings, and Diem felt secure enough to consider a power play when the Emperor Bao Dai relieved him of his duties through a telegram from the French Riviera. "Diem looked at me imploringly," records Lansdale, for help in deciding whether to obey the telegram. Lansdale suggested, with a straight face, that Diem should conduct an objective mental review of his presidency to evaluate his own "ethical merits or demerits" and base his decision accordingly. "Diem touched my knee with his hand, gesturing me to stay. Slowly, painfully, he recounted to me his past actions that bore on the present crisis. It was a long process."

According to Lansdale, the two of them sat talking in the palace during the crisis, trying to discover how good the President really had been. "Gradually, there emerged the principles he had followed," writes the author, such as, "government power should be used for the benefit of those governed." After a period of such moral rearmament, the undercover Tom Paine and the French-speaking mandarin president determined that they had all the justification needed for an Asian Declaration of Independence against Bao Dai. Lansdale fired Diem up with a little American history, from which he discovered by induction that Diem was remarkably like George Washington. (The Pentagon Papers hint that Lansdale was responsible for Lyndon Johnson's statement that Diem was the "Churchill of Asia." In plotting the break from Bao Dai, Lansdale managed to squeeze in a few more civics lessons: "I explained to Diem that the only acceptable, viable way to bring about the drastic change that he. . . had in mind would be through suffrage, a free expression of the people's will through the ballot box." And there would be no cheating, said Lansdale, although he would allow Diem to print his name on the ballot in red, "the Asian color of happiness," while Bao Dai's would appear in sorrowful "black or blue or green."

Throughout his exploits, Lansdale's zeal undoubtedly plays an important role. For one thing, it allows him to resolve ethical scruples about his mission on a high plane of long-range objectives rather than on a day-to-day basis. It takes America's gaze on democratic principles for him to undertake psychological warfare operations in the Philippines, for example, where Lansdale's team "played upon the popular dread of *asuang*, or vampire," to scare Huk soldiers away from encampments near villages. In a strategy that required intimate knowledge of the people in the country, Lansdale recalls that:

> . . . the psywar squad set up an ambush along a trail used by the Huks. When a Huk patrol came along the trail, the ambushers silently snatched the last man of the patrol, their move unseen in the dark night. They punctured his neck with two holes, vampire-fashion, held the body up by the heels, drained it of blood, and put the corpse back on the trail. When the Huks returned to look

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for the missing man and found their bloodless comrade, every member of the patrol believed that the *asuang* had got him and that one of them would be next if they remained on that hill. When daylight came, the whole Huk squadron moved out of the vicinity.

This is vintage Lansdale. Recounted with the drama and unlikelihood of a television script, the anti-Huk operation fights Mao with Lansdale's version of Mao—their tactics, but for Good instead of Evil, with the conscience gliding undisturbed over the razors of guerrilla warfare.

But by 1961, Washington was populated by people who were pragmatists, at least in comparison with Lansdale. Walt Rostow, who turned out to be the most missionary of the Kennedy advisors, proposed that Lansdale be sent back to Vietnam to aid Diem in a deteriorating situation and serve as head of a Vietnam study task force. But, according to the Pentagon Papers, Lansdale's role was nixed by the State Department and the White House, and McNamara himself scratched out the "immediately" on his departure time for Saigon and scribbled in "when requested by the Ambassador," who never did. Lansdale was a little bit too frothy and consumed even for the hard-liners in the new Administration. He was seen as too blindly Diemist and as a bit strange—writing General Taylor about how he had brought Operation Brotherhood from the Philippines for covert missions in Vietnam under the Asian vice president of the International Jaycees. When General Taylor returned from his Vietnam mission for President Kennedy in late 1961, he reported that President Diem had asked for Lansdale's help; but Lansdale's reputation had crested within the government, and he was not sent. He served in Vietnam as a civilian from 1965 until 1968 (with Daniel Ellsberg on his "team" for a time), but not in a critical role like he played in the early years described in his book. Men like General Taylor had taken over.

The lyric strains of Lansdale are absent from the Taylor book, for the general recoils from such crusades like a college professor at a Baptist revival. Taylor is a remarkably reflective man, whose instinct is to puncture the soaring ego with gentle, self-effacing wit. Few D-Day generals would assess their inspirational qualities like Taylor, who parachuted into France with his 101st Airborne Division: "In my experience, the history books that depicted the role of the general as being that of galvanizing his men into action were all wrong. I found more often than not that I went up to the front lines not to urge on the troops, but to escape the worries of the command post, where all battle noises sounded like the doings of the enemy and where it was easy for the commander to give way to dire imaginings."

It is only when Taylor delivers a crisply hawkish position on a strategic question that he returns as the military professional, and on the whole, he fits the Kennedy mold—tough, sometimes acidic, but seldom dogmatic and without a grudge against the world. By temperament and doctrine, he suited the new President and they got along well.

Taylor's disposition gives him a different perspective on Vietnam than Lansdale—despite the compatibility of their doctrines in the persecution of the war—and the gulf between them becomes increasingly revealing as the cost of the war rises. For Lansdale, the war is almost a delight because of the absence of personal moral dilemma. Since a purely noble purpose cannot be diminished by finite losses, however great, the cause doesn't tarnish with adversity. It merely gets Lansdale's adrenalin moving and feeds his righteousness. For Taylor, on the other hand, the war is a responsibility, a matter of costs and benefits, a question that requires constant reexamination. The war becomes a burden as it sucks away blood and money; it is more of a marginal venture, a close judgment call.

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General Minh's Forehand

When Taylor visited Saigon with Walt Rostow in the fall of 1961, he found the government's plight desperate, but not hopeless, and he recommended to President Kennedy a beefing up of advisers in the slim hope of avoiding the "loss" of South Vietnam. Despite his misgivings about the advisability of American ground troops in Asia, a legacy of his Korea experience, he also recommended a small contingent of experimental troops (the famous "flood control" proposal of the Pentagon Papers), which was turned down in Washington in favor of a more cautious approach. But the careful consensus was that the United States must take up the challenge of warding off a Ho Chi Minh victory.

Taylor characterized Diem as "highly skilled," and "stubborn and suspicious," an appraisal far closer to the mark than Lansdale's portrait of an eager and idealistic pupil lapping up the wisdom of the founding fathers. The disparity is highly ironic, since Lansdale was considered to be on the psychological wavelength of most Asians, whereas Taylor confessed his perplexity readily.

The Vietnam commitment limped upward, although under great official scrutiny, until the summer of 1963—when Diem's repression of demonstrations by the Buddhist majority sent his government tottering again. Diem's brother, Nhu, raided pagodas with his secret police apparatus, while Madame Nhu enjoyed self-immolations by Buddhist monks. Her description of them as "barbecues" was taken to reflect the sentiments of the ruling family. This barbarity and the crisis of the government got the computers running and the memos flying back in Washington, and in the midst of general indecision, a cable authorizing the instigation of some kind of coup went out to Ambassador Lodge. Taylor, by then elevated to Chairman of the Joint Chiefs of Staff, was so furious at this move that he pinpoints the authors of the cable as the "anti-Diem clique" in the State Department, led by Averell Harriman and Roger Hilsman. (The cable appears in the Pentagon Papers, but the authors are not identified.) The general brands the maneuver as a bureaucratic "end run" by the perpetrators, who, on a Saturday when top officials were home in the suburbs, "drew up this cable, cleared it with Undersecretary George Ball on the golf course, and obtained a telephone clearance from President Kennedy in Hyannisport." Without any wide circulation, says Taylor, the message went off, and by Monday morning Lodge had informed various Vietnamese generals through the CIA that the U. S. would look favorably on a new team.

Although the expected August coup did not come off, the American policymakers deemed themselves beyond the point of turning back, so Taylor and McNamara were dispatched to Saigon to scout out possible Vietnamese kingmakers. In a carefully arranged diplomatic meeting at the Saigon Officer's Club, Taylor records that he played tennis with the most eligible plotter, General "Big" Minh, while McNamara watched and calculated nervously on the sidelines. The two eminent Americans dropped decreasingly casual hints of their interest in a coup on Minh—feelers between games, seditious innuendos while retrieving stray shots—but Minh only concentrated on his forehand. The twosome returned to Washington convinced that nothing was afoot, but soon learned that the CIA messages had taken hold after all (Minh was just not ready to talk). Lodge was instructed to review Minh's arrangements ("except for assassination plans"), and Diem was soon dead.

Lyndon Johnson became President almost immediately, and sent Taylor to Vietnam as Ambassador when Lodge came home for some Republican politics in the summer of 1964.

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During the Ambassador's one-year tenure in Saigon, there were many big events—Tonkin Gulf, the attack on Pleiku, and enough coups to provide four new Vietnamese presidents. But the momentous change was the introduction of substantial numbers of American ground troops in offensive combat roles. In the book, he recalls that he was a dissenter from the general rush toward a big troop build-up but that he adapted to the new policy because his objections did not seem important enough. Some of this acquiescence in the memoirs, however, may stem from a desire to show loyalty to the Administration's decision, for the Pentagon Papers show Taylor as much more strongly against the change. The Pentagon Papers conclude, "There is no documentary evidence to indicate that any of the other decision-making principals shared Ambassador Taylor's reservations." Thus, he was the lone dissenter in the top councils of the government against the first major troop commitment under the new policy of flexible response. Ironically, he had been the only dissenter in the top councils of the Eisenhower government against the massive retaliation policy, under which there would have been no mobile, "flexible" units to send to Vietnam. Taylor's new doctrine made the troops—and the war—possible, and then he didn't want them.

Consistent Defiance

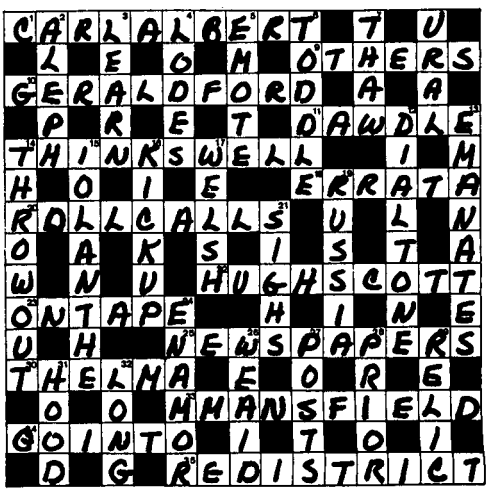
Although the Ambassador opposed the use of "white-faced soldiers" in an Asian war, he was no dove. He favored greatly increased bombing, a flexible response in the air, to pound the North Vietnamese. He wanted sustained pressure, not so much to cut off infiltration or change things in the South, but to weaken North Vietnam into giving up the war. He opposed all bombing passes on the grounds that "we had a testimonial to the efficacy of the bombing in the world-wide campaign to compel us to stop it."

Although he never comes right out to say so, Taylor's unconscious test for a dove is that he must be willing to accept, or welcome, the reunification of Vietnam under Hanoi. Otherwise he is a hawk or a hypocrite.

As late as the end of 1967, with Lyndon Johnson writhing on the political knife of the war and Norman Mailer marching on the Pentagon, Taylor at last thought about withdrawal—only to conclude that "as I was unable to advance any arguments to support it, I did not include it among the alternatives worth considering." As a presidential counselor on the war, Taylor participated when the Wise Men—Acheson, Ball, Bundy, Dillon, Bradley, Clifford, Fortas, and so on—came to the White House on November 2 and told LBJ by consensus that he was on the right track, though a difficult one, and that he needed some better Vietnam PR. He was also there when LBJ reconvened the Wise Men after the Tet offensive, less than a week before the President announced that he wouldn't seek reelection. This time, Taylor said, only "Robert Murphy, Abe Fortas, and I" recommended the steadfast course, while the rest exuded pessimism and recommended some change, though not a specific one.

Taylor hardly conceals his scorn

Answers to March puzzle:



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toward the Wise Men, who were neither willing to "bite the bullet" by continuing the effort nor to bite the olive branch of honest dovehood by accepting the consequences and implications of ceasing that effort. Instead of taking up the enormous task of preparing the country to withdraw from Vietnam, they withdrew silently from the White House, soon followed by LBJ. Some became semi-doves, partisans of negotiations—which Taylor considers a compact with delusion, since South Vietnam must be either free or communist. Others became semi-hawks, like President Nixon, arguing for a minimum-scale holding operation that promises slim chance of success but postpones the critical decision by bombing enough to prevent a major concentrated assault against Thieu's government.

General Taylor himself remains a hawk, after running through a final comparison of the costs and benefits for victory against withdrawal. He finds not one benefit for withdrawal, even for the record. He simply cannot accept or discuss the prospect of a communist South Vietnam, or even say the words. In supreme irony, this posture is precisely the kind of vulgar, blind cold warism that Lansdale (and the less military people who sympathized with him) originally sought to replace with a positive demonstration of our values. The war has soured us back to where he started.

The Missionary's Trigger

In the interim of the last 12 years, Taylor, the pragmatist, has helped kill far more people than Dulles did with his fearsome talk of the bomb. Lansdale, the idealist, has done more to disparage the idea of exporting our beliefs than the isolation of Dulles ever could. Taylor's flexible response ran into, and accepted, Lansdale's inflexible purpose. Lansdale's international display of our ideals readily accepted Taylor's ratchet-like pressure when the example wasn't enough. Taylor never really questioned the anticommunist impulse upon which all his calculations rested. Lansdale never really questioned the ethics of his everyday throat-slitting. So the rationalist ignored his goals and the moralist ignored his means, and the two met in Vietnam. The common ground was the anticommunism that still remained—the Dulles policies that Lansdale was trying to escape in spirit, and Taylor in tactics.

Both Taylor and Lansdale make no moral distinction between using violence to defend ourselves against direct communist aggression and to defeat it in a contest of principles elsewhere in the world. This attitude is most likely another legacy of the cold war, when there was no difference. Vietnam reveals how lightly both the pragmatists and the crusaders regard the threshold of killing people for anticommunist purposes that boil down to moral or emotional commitments. Pragmatists like Bundy, Taylor, and Kissinger do so through the deception of defining moral questions out of the proper realm of foreign policy—making the deaths and the hidden feelings that produce them irrelevant to the equations by which they calculate the national interest. Idealists like Dulles and Lansdale do so by readily assuming that it is no sin to kill in the name of goodness—Dulles in wholesale fashion and Lansdale more selectively in the night. And those who direct the contemporary limited wars are comforted by the fact that the carnage is less than one of Dulles' nuclear wars that we didn't have.

It is not clear whether the judgment of where ideals destroy themselves will be made in the wake of the final withdrawal from Vietnam or perhaps in the wake of a decision by a new liberal idealist that we should instigate undercover operations to throw out the military and restore democracy in Guatemala. But these two books provide an excellent background for that determination, and they should make us think for some time before pulling the missionary's trigger.□

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POLITICAL BOOK NOTES

Public affairs books to be published in April.

American Communism in Crisis, 1943-1957. Joseph R. Starobin. Harvard, $12.95.

An American Death: The True Story of the Assassination of Dr. Martin Luther King, Jr. Gerold Frank. Doubleday, $10. An interesting account of the assassination of Martin Luther King from an unlikely source—the co-author of *Zsa Zsa Gabor: My Story*.

Black Women in White America: A Documentary History. Gerda Lerner, ed. Pantheon, $10.

Blowing the Whistle: Dissent in the Public Interest. Charles Peters and Taylor Branch. A *Washington Monthly* Book. Praeger, $8.95, $3.95.

Change in the International System. David S. Sullivan and Martin J. Sattler, eds. Columbia, $8, $2.95.

City Schools/Suburban Schools: A History of Fiscal Conflict. Seymour Sacks. Syracuse, $9.95, $3.95.

The Closed Enterprise System. Mark J. Green. Grossman, $8.95. Antitrust oversimplified, but redeemed by the documentation of several cases worse than ITT.

Counterrevolution and Revolt. Herbert Marcuse. Beacon, $7.50.

Crises of the Republic: Lying in Politics, Civil Disobedience, On Violence, Thoughts on Politics and Revolution. Hannah Arendt. Harcourt, Brace, Jovanovich, $6.95. The great woman speaks with her usual wisdom, persuasiveness, and opacity.

The Election Game and How to Win It. Joseph Napolitan. Doubleday, $6.95. An engrossing chronicle from one of the more effective political media managers. From Ferdinand Marcos to Hubert Humphrey, Napolitan has worked for scores of candidates, and his account is far more informative than Jerry Bruno's *The Advance Man*, though written in the same semi-Breslin style. The author is weak and a bit defensive when he generalizes about the ethical implications of his profession, but he shows you how it works.

The Federal Budget for 1973: A Review and Analysis. Murray L. Weidenbaum and Dan Larkins. American Enterprise Institute, $3.

Fiscal Failure: Lessons of the Sixties. Charles E. McLure, Jr. American Enterprise Institute, $2.

The Geometry of Hunger. D. S. Halacy, Jr. Harper & Row, $6.95.

Hawaii: The Sugar-Coated Fortress. Francine du Plessix Gray. Random House, $5.95.

Impeachment: Trials and Errors. Irving Brant. Knopf, $5.95.

The Infiltrators: The European Business Invasion of America. by Nicholas Faith. Dutton, $8.95.

In the Fullness of Time: The Memoirs of Paul H. Douglas. Paul H. Douglas. Harcourt, Brace, Jovanovich. $13.50.

In the Name of Profit: Profiles in Corporate Irresponsibility. Robert Heilbroner et al. Doubleday, $6.95. A chapter appears in this issue of *The Washington Monthly*.

In Search of Nixon: A Psychohistorical Inquiry. Bruce Mazlish. Basic, $6.95. In attempting to apply what he calls psychohistory to the perennial question of who is the real Richard Nixon, the author ends up roughly where the reader began. "In short, if we have difficulty discovering the real Nixon, I believe that our President has even greater difficulty."As most sportswriters can write only about what laconic Dallas Cowboy running back Duane Thomas doesn't say, so the psychoanalysts are condemned to lengthy comment on their inability to fathom Nixon. Mazlish, at least, admits the problem, and also that "reductionism, wherein, for example, a great political figure is stripped down to his oral, anal and genital aspects. . . is the great

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danger in applying psychoanalysis to history." In this regard, one can for the first time admire Nixon's cagey nature, and his ability to escape through stealth such a profound indignity.

John Kenneth Galbraith and His Critics. Charles H. Hession. Norton, $6.95.

Merriman Smith's Book of Presidents: A White House Memoir. Timothy G. Smith, ed. Norton, $7.95.

The Modern Military in American Society: A Study in the Nature of Military Power. Charles Walton Ackely. Westminster, $10.95.

The Modern Supreme Court. Robert G. McCloskey. Harvard, $12.95.

Money in Politics. Herbert F. Alexander. Public Affairs Press, $10. Indispensable but dull.

Nader: The People's Lawyer. Robert Buckhorn. Prentice-Hall, $6.95.

The New Families: Youth, Communes, and the Politics of Drugs. Ross V. Speck et al. Basic, $6.95.

The New How To Win an Election. Stephen C. Shadegg. Taplinger, $6.50, $2.95.

Nixonomics: How the Dismal Science of Free Enterprise Became the Black Art of Controls. Leonard Silk. Praeger, $5.95. This is a nice collage of satire and non-technical essays by the economics specialist of *The New York Times* editorial board. Nixon and most all economists come in for a hard time.

Police in Trouble. James F. Ahern. Hawthorn, $6.95. An important book by the New Haven police chief who kept things cool during May Day and the Black Panther trials. Included is an devastating analysis of the fictions in an FBI report to the President that almost led to an invasion of New Haven by federal troops. Also a fine chapter on the rookie policeman and the pressures that turn him into a corrupt cop.

President Nixon and the Press. James Keogh. Funk and Wagnalls, $6.95. Touched with the courtier's affection for his boss, one of President Nixon's former special assistants writes a rather lame and fawning account of his boss' sufferings at the hands of the left-wing media.

Presidents, Bureaucrats, and Foreign Policy. I. M. Destler. Princeton, $10.

Press, Politics, and Popular Government. George F. Will, ed. American Enterprise Institute, $3.

A Question of Judgment. Robert Shogan. Bobbs-Merrill, $10. A highly readable account of the Fortas case by the man who is responsible for *Newsweek*'s fine coverage of the Justice Department and the Supreme Court. Unfortunately missed is the chance to explore Fortas as an example of the kind of liberal Washington lawyer who almost always finds his opportunities for higher service where the fees are even higher.

Race War in America. James Woodruff. Bobbs-Merrill.

Reapportionment: Law, Politics, Computers. Terry B. O'Rourke. American Enterprise Institute, $3.

The Rise of the Unmeltable Ethnics. Michael Novak. Macmillan, $5.95.

Roots of War: The Men and Institutions Behind U. S. Foreign Policy. Richard J. Barnet. Atheneum, $10. A lively, well-written tour through the people and ideas that make U. S. foreign policy. Barnet's best book.

Six Presidents, Too Many Wars. Bill Lawrence. Saturday Review, $8.95.

State, School, and Politics: Research Directions. Michael W. Kirst, ed. Heath Lexington, $10.

Strike Force: Organized Crime and the Government. Clark R. Mollenhoff. Prentice-Hall, $6.95.

Take Today: The Executive as Dropout. Marshall McLuhan and Barrington Nevitt. Harcourt, Brace, Jovanovich, $9.95.

Ted Kennedy: Profile of a Survivor. William H. Honan. Quadrangle, $6.95.

Ted Kennedy: Triumphs and Tragedies. Lester David. Grosset and Dunlap, $7.95. This has just enough information and intelligence to take it out of the realm of fan magazine journalism but not enough to make it worth reading. It does, however, indicate how the Kennedys will explain Chappaquiddick: the Senator's judgment was impaired by head injuries suffered in the crash.

Three Faces of Revolution: Communism in the 1970s. Fred Schwarz. Capitol Hill Press, $7.95.

The Trouble with Wall Street. Lewis A. Bracker and Waller Wagner. Prentice-Hall, $6.95.

The United States and the Origins of the Cold War, 1941-1947. John Lewis Gaddis. Columbia, $12.50, $3.95.

Unquestioned Obedience to the President: The Case Against the Legality of the War in Vietnam. Leon Friedman and Burt Neuborne. Intro. Sen. George McGovern. Norton, $8.95.

Up Against the Wall (Street). James Blumgarten. Hawthorn, $5.95.

Wars and Rumors of Wars. Roger L. Shinn. Abingdon, $5.95.

White Knight: The Rise of Spiro Agnew. Jules Witcover. Random House, $10.

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The author's sense of humor redeems an otherwise familiar tale.

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